

**Wednesday  
31 October 2018**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Wednesday 31 October 2018**

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# House of Commons

Wednesday 31 October 2018

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### NORTHERN IRELAND

*The Secretary of State was asked—*

#### MLA Pay

1. **Ged Killen** (Rutherglen and Hamilton West) (Lab/Co-op): What recent discussions she has had with Cabinet colleagues on the allocation of the savings accrued from the reduction in the pay of Members of the Legislative Assembly. [907318]

**The Minister of State, Northern Ireland Office (Mr Shailesh Vara):** My Department has no role in the allocation of any savings resulting from the reduction in MLA pay. The budget for the payment of salaries to MLAs is held by the Assembly Commission. Any savings would be returned to the central Consolidated Fund for redistribution within the Northern Ireland civil service, and their reallocation would be for that civil service to determine. I can also advise that the Secretary of State has today written to the Assembly Commission to bring the pay reduction into effect.

**Ged Killen:** In their LGBT action plan, the Government allocated £4.5 million for an implementation fund that will be available to voluntary sector groups in England, but when I was in Northern Ireland recently, I met people in similar groups facing even greater challenges who have never received Government support from Stormont or Westminster. I have already asked the Secretary of State about that and I wrote to her on 7 September, and I have not had a reply. Will the Secretary of State consider supporting funding for these groups—if not from MLA pay, from another source?

**Mr Speaker:** I assume that the hon. Gentleman means from the allocation of the savings accrued, which renders it relevant to the question on the Order Paper?

**Ged Killen** *indicated assent.*

**Mr Speaker:** Very good. Well done.

**Mr Vara:** Thank you for clarifying that, Mr Speaker; it is much appreciated. I am sure that the hon. Gentleman will receive a response from the Secretary of State very soon.

Any unspent money or savings would be returned to the central Consolidated Fund, for redistribution within the Northern Ireland civil service, and it is for civil servants to allocate as they feel appropriate.

**Bob Stewart** (Beckenham) (Con): Does the Minister agree that the pay reduction seems a bit unfair, because the vast majority of MLAs actually want to do their job, and it is only a small percentage that are stopping the Assembly being reassembled?

**Mr Vara:** My hon. Friend is absolutely right that the vast majority want to get on with doing their job; but we have to recognise that some of their duties have lessened, so we are making a reduction but recognising that they still have constituents to look after and are still voices within their communities.

**Lady Hermon** (North Down) (Ind): I would be fascinated to know how much it has cost to pay the MLAs their full salary since the collapse of the Assembly and the Executive in January 2017. Is it £12 million, £13 million, £14 million? Does the Minister honestly believe that was money well spent, when our education budgets and our health budget in Northern Ireland are so overstretched?

**Mr Vara:** I do not know what the precise sum is, but I fully appreciate and am happy to put on record the hon. Lady's commitment to this issue, on which she has spoken regularly. When the talks collapsed, there was an element of good will and we hoped that the parties would return and form the Executive again. There has to be an element of good will, rather than instantly saying, "Right: we are making reductions." We had that element of good will; we had to introduce legislation for the cuts, and we also had to have the review conducted by Trevor Reaney.

**Karin Smyth** (Bristol South) (Lab): Last week, the Secretary of State said she wanted to see action on victims' and survivors' pensions. May I press the Minister, because legacy is a Northern Ireland Office responsibility? Will the Government pledge the considerable savings from MLA pay to those pensions and make good on the UK Government's promise to the victims and survivors of the troubles?

**Mr Vara:** As I said earlier, as far as any savings are concerned, the unspent money will be redistributed to the central Consolidated Fund for redistribution to the civil service, who can then reallocate. As far as legacy issues are concerned, the pension issue is actually a devolved matter.

#### Devolved Government

2. **David Duguid** (Banff and Buchan) (Con): What progress has been made on restoring devolved government in Northern Ireland. [907319]

8. **Damien Moore** (Southport) (Con): What progress has been made on restoring devolved government in Northern Ireland. [907325]

11. **Huw Merriman** (Bexhill and Battle) (Con): What progress has been made on restoring devolved government in Northern Ireland. [907328]

**The Secretary of State for Northern Ireland (Karen Bradley):** The Northern Ireland (Executive Formation and Exercise of Functions) Bill, which we debated last week, has now been taken through both Houses. It provides

for a period in which an Executive can be formed at any time, allowing for time and space for talks to take place without an election having to be called. I continue to engage with the main parties to discuss the implementation of the Bill and next steps towards the restoration of devolution, and I have called a meeting for that purpose tomorrow, in Belfast. I am also continuing to engage with the Irish Government, and my right hon. Friend the Chancellor of the Duchy of Lancaster and I will be in Dublin on Friday for a meeting of the British-Irish Intergovernmental Conference. Additionally, I am actively considering how and when external facilitation could play a constructive role in efforts to restore political dialogue. This will form part of my discussions with the parties. I am also extremely keen to support grassroots and civil society efforts to facilitate political dialogue following a productive meeting with Church leaders earlier this month.

**David Duguid:** I thank the Secretary of State for her response. As Conservatives and as Scottish Conservatives, we respect devolution—[*Interruption*—]—unlike others. How best can we ensure that the people of Northern Ireland continue to have the ultimate say on what laws are passed on their behalf?

**Karen Bradley:** I agree wholeheartedly with my hon. Friend: as members of the Conservative and Unionist party, we know that devolution is the best way to strengthen our precious Union. That is why it is absolutely vital that decisions that are rightly devolved should be made by politicians elected by people in the nations and regions of our country, as appropriate under the devolution settlement.

**Damien Moore:** Does the Secretary of State agree that the people of Northern Ireland deserve to have their devolved Administration restored so that their representatives can make crucial spending choices, such as on health and education?

**Karen Bradley:** My hon. Friend again makes an important point; we discussed it last week. The very best thing for the people of Northern Ireland is devolved Government—the people they elected representing them and making decisions on their behalf.

**Huw Merriman:** I welcome the legislation. How should it help to bring the Executive back together again in Northern Ireland?

**Karen Bradley:** The point of the legislation is that it provides the space and the time for the parties to come together and put the best conditions in place for those parties to come back around the table, do the right thing by the people who elected them, and form an Executive and get back into the Assembly.

**Nigel Dodds (Belfast North) (DUP):** In the continuing absence of devolved Government, the Secretary of State will be aware that a further 1,044 neurology patients have been recalled following the further revision of the notes of Dr Michael Watt in the Belfast trust area. That brings the total number of patients recalled to 3,544. Has the Secretary of State spoken to the Health Department in Northern Ireland about this issue, and what can she

say today to provide assurance and relieve the anxiety and worry that many of these people will obviously have at the present time?

**Karen Bradley:** My Department's officials and the Minister of State, my hon. Friend the Member for North West Cambridgeshire (Mr Vara), speak regularly to the permanent secretary and other officials in the Department of Health. I also meet the permanent secretary to discuss various matters, including those we discussed in terms of the Bill last week, which, when it becomes an Act of Parliament, will give civil servants the ability to make decisions, as they rightly should. But that is not a substitute for devolved Government, and we need to have Ministers in place to make important decisions, because these are devolved matters that should be dealt with by devolved Ministers.

**Nigel Dodds:** I hear what the Secretary of State says, but these are people living with real anxiety and real worries at the present time, and she has an opportunity to do something about it now. Rather than wait, can she not say something to these people that will provide them with real hope that the inquiry will proceed quickly and that action will be taken to ensure that this kind of thing does not happen again?

**Karen Bradley:** I know that the right hon. Gentleman, who as a constituency MP represents many people affected by this, cares deeply about this matter and wants to see action taken. I, too, want to see action taken, and I will be happy to discuss this with him separately in terms of what actually can be done under the devolution and constitutional arrangements in place.

**Dr Andrew Murrison (South West Wiltshire) (Con):** If the Executive are not restored by the end of the year, will the Secretary of State use the powers she is about to get under the Northern Ireland (Executive Formation and Exercise of Functions) Bill to issue guidance to ensure that Northern Ireland gets a proper cancer strategy, since it is the only part of the UK that does not have one, and I am afraid that outcomes are reflecting that?

**Karen Bradley:** My hon. Friend, who served as a Minister in the Northern Ireland Office and is Chair of the Select Committee, understands the devolution settlement and constitutional arrangements better than many people. He will know that it will be for Ministers to make the decision on the implementation of the cancer strategy, but clearly the guidance that accompanies the Bill will be issued after Royal Assent, and I would hope that civil servants will take the decisions that they can take within that guidance.

**Tony Lloyd (Rochdale) (Lab):** I think the House will want to recall that this is the 25th anniversary of the Greysteel massacre, and our thoughts go out to the victims and their families.

The Secretary of State makes the point that devolved matters should be dealt with by the Assembly, and she will recognise that social security is a devolved matter. She probably cannot tell the House how many people will lose as they transfer to universal credit, but what she can do is give guidance to civil servants saying that the roll-out will stop in Northern Ireland until there is an Assembly competent to make that decision.

**Karen Bradley:** I join the hon. Gentleman in marking the 25th anniversary of the Greysteel attack. It was a horrific and totally unjustified attack that killed eight and wounded a further 19, and 25 years on, we must not forget the sacrifices that were made or the huge progress that Northern Ireland has made since the Belfast agreement was signed 20 years ago.

The hon. Gentleman asks about welfare in Northern Ireland. Again, I refer him to the constitutional and devolution settlements. He knows how they operate; the guidance will be issued and civil servants will make appropriate decisions.

### Business Promotion

3. **Tom Pursglove** (Corby) (Con): What recent steps she has taken to promote Northern Ireland businesses throughout the world. [907320]

**The Secretary of State for Northern Ireland (Karen Bradley):** Last month, I travelled to the United States where I promoted Northern Ireland to politicians, business leaders and academia. I set out, as I regularly do, the fact that Northern Ireland is a great place to invest and do business, with much to offer, including a diverse and talented workforce.

**Tom Pursglove:** As we leave the European Union, we clearly need to promote all parts of the United Kingdom and their fantastic trade potential. How does the Secretary of State intend to harness Northern Ireland's potential, building on the success of the "Great" campaign, of which Northern Ireland is clearly an important part?

**Karen Bradley:** My hon. Friend is absolutely right. Great Britain and Northern Ireland truly are great, and the "Great" campaign helps to promote exporters from across the whole UK. It is complemented by UK Export Finance, which has provided nearly £33 million of support for exporters in Northern Ireland, resulting in more than £46 million-worth of overseas sales.

**Emma Little Pengelly** (Belfast South) (DUP): For business to export and grow, it needs adequate support. What actions will the Secretary of State take to ensure that Northern Ireland's businesses can benefit from some of the initiatives announced this week, including in relation to the high street?

**Karen Bradley:** The hon. Lady is a doughty campaigner for her constituents, and I know that she cares a great deal about ensuring that Northern Ireland is an economic success. I am sure she welcomes the £2 million that has been secured for in-year spending in Belfast to deal with the regeneration following the Primark fire earlier this year. The city deals also play an incredibly important part, but I repeat that devolved government is the way to give Northern Ireland the best opportunities and success, which is why we need to see Ministers in Stormont.

**Mr Mark Harper** (Forest of Dean) (Con): As the Secretary of State champions Northern Ireland's businesses around the world, will she remind the European Union negotiators that, in the December joint report, they signed up to Northern Ireland businesses having unfettered access to the rest of the United Kingdom? She should remind them of this, because they seem to have forgotten.

**Karen Bradley:** I regularly remind many people about this. Paragraph 49 of the protocol is one that many focus on, but paragraph 50 of the joint report is equally valid. It deals with unfettered access to the markets of Great Britain and the United Kingdom and the fact that there should be no new regulatory barriers between Northern Ireland and Great Britain. These are incredibly important for ensuring the economic success of Northern Ireland.

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): On behalf of the Scottish National party, I should like to echo the comments made by both Front Benchers about the Greysteel massacre. Our thoughts are very much with those who were involved. Is the Secretary of State aware of recent comments made in Northern Ireland by the CBI president John Allan, when he said that business would always prefer a backstop to a no-deal Brexit? He added that the backstop could be an opportunity to open up frictionless trade between the EU and UK markets. Given that widely shared opinion, why is her supposedly pro-business Government seeking to undermine the backstop and therefore undermine business in Northern Ireland?

**Karen Bradley:** I am grateful for the hon. Gentleman's comments about the Greysteel massacre, but I have to correct him on his second point. This Government are completely committed to all the commitments that we made in the joint report before Christmas. We are looking at how to put a backstop into legal text to ensure that the constitutional and economic integrity of the United Kingdom is respected and that there is no border on the island of Ireland.

### Police: Border Funding

4. **Mike Kane** (Wythenshawe and Sale East) (Lab): Whether the Government have plans to provide additional funding to the Police Service of Northern Ireland to police any potential border in the island of Ireland. [907321]

5. **Liz Twist** (Blaydon) (Lab): Whether the Government have plans to provide additional funding to the Police Service of Northern Ireland to police any potential border in the island of Ireland. [907322]

**The Secretary of State for Northern Ireland (Karen Bradley):** We have said categorically that there will be no physical infrastructure or related checks and patrols at the border. We are committed to a future partnership on security, policing and justice with the EU, including Ireland, that will allow the Police Service of Northern Ireland to continue to tackle national security threats and serious and organised crime. The PSNI has submitted its case for additional resources, and that bid is currently being considered.

**Mike Kane:** The European arrest warrant is key to cross-border policing. Can the Secretary of State confirm that it will be retained post Brexit?

**Karen Bradley:** The hon. Gentleman is quite right to say that the use of the arrest warrant is very important in Northern Ireland, and we have been clear that we need to have access to the same instrument or an

equivalent for that to continue. I was a Minister in the Home Office when we were debating the 2014 opt-outs and opt-ins, and at that time I was determined that we would retain access to the European arrest warrant.

**Liz Twist:** With more than 250 crossing points between Northern Ireland and Ireland, does the Secretary of State not agree that policing such a border would need a massive injection of cash and that the technological solutions for patrolling the border will not work and in fact do not exist?

**Karen Bradley:** The Government's proposals for a facilitated customs arrangement are clear that there is no need for any border checks on the island of Ireland, and that is what our proposals are determined to achieve.

**Bob Blackman** (Harrow East) (Con): Will my right hon. Friend confirm that the review of police funding will consider Northern Ireland's needs to ensure that every citizen is safe in that part of our country?

**Karen Bradley:** This Government have never shied away from the need to ensure proper funding for policing in Northern Ireland. Together with our security services, the PSNI does incredible work to keep us all safe. However, the threat level remains severe, which is why it is vital to ensure that proper funding for the PSNI continues.

**Sammy Wilson** (East Antrim) (DUP): The funding application now rests with the Treasury, so will the Secretary of State ensure that it is treated quickly? Will she also assure us that recruitment to the PSNI will not be blocked as a result of Sinn Féin's closing down of the Northern Ireland Assembly?

**Karen Bradley:** I speak regularly with the Chief Constable, the assistant chief constable and others, and I am as committed as the hon. Gentleman to ensuring that the PSNI has the funding it needs. The bid is going through the proper processes, as it rightly should, and I am determined to ensure that the PSNI can continue to recruit as necessary.

**Stephen Pound** (Ealing North) (Lab): Mr Speaker, you can scarce imagine how unbounded my joy was when I heard that austerity was over, or at least coming to an end. In view of that, will the Secretary of State confirm the lifting of the pay cap affecting the PSNI and the countless other public sector workers who feel, with some justification, that they have been abandoned by this Government?

**Karen Bradley:** I hope that I do not require the hon. Gentleman's services again in mopping up water, which he so ably did for me last week. Many of his questions will be dealt with through the police funding settlement and the spending review next year, and the Minister for Policing and the Chancellor will quite rightly be making those announcements.

**Mr Speaker:** I think we can agree that the hon. Gentleman's thespian skills are superior to his mopping up skills.

## The Executive and Legislative Assembly

6. **Chris Stephens** (Glasgow South West) (SNP): What recent steps her Department has taken to seek the restoration of the Northern Ireland Executive and Legislative Assembly. [907323]

13. **Mr Alistair Carmichael** (Orkney and Shetland) (LD): What recent discussions she has had with political parties in Northern Ireland on the re-establishment of a Northern Irish Executive. [907330]

**The Secretary of State for Northern Ireland (Karen Bradley):** The Northern Ireland (Executive Formation and Exercise of Functions) Bill provides for a period in which an Executive can be formed at any time without an election having to be called. I have remained in contact with the Northern Ireland parties during the passage of the Bill and will discuss its implementation and next steps in a roundtable meeting with them tomorrow.

**Chris Stephens:** The Secretary of State will be aware that the Independent Reporting Commission concluded last week that key factors in bringing paramilitarism to an end were political leadership and the re-establishment of political structures in Northern Ireland. Does the Secretary of State agree? If so, can she explain the absence of formal talks between the political parties since February?

**Karen Bradley:** As I said earlier, the best thing for the people of Northern Ireland would be if the politicians whom they elected come together to form an Executive, get back into the Assembly and make decisions on their behalf. As a member of this Government, I support devolution across the whole United Kingdom, and I want to see it operating properly.

**Mr Carmichael:** Does the first report of the Independent Reporting Commission not illustrate that the political parties of Northern Ireland must choose one of two sides at this point? They are either on the side of getting the Executive back up and running, or else they are on the side of growing paramilitarism and all the attendant dangers that that brings.

**Karen Bradley:** The right hon. Gentleman makes an important point. The Independent Reporting Commission's first report is clear that the decisions that would benefit everybody in Northern Ireland must be made by Ministers. We have passed a Bill that will enable civil servants to make decisions to allow the continued running of public services, but they are clearly no substitute for elected politicians and Ministers in Stormont.

## Political Parties: Loans and Donations

7. **Layla Moran** (Oxford West and Abingdon) (LD): If she will make it her policy to publish information on loans and donations given to Northern Ireland political parties since 2014. [907324]

**The Minister of State, Northern Ireland Office (Mr Shailesh Vara):** The publication by the Electoral Commission of donations and loans data for the Northern Ireland parties from 1 July 2017 is a positive step that

should be welcomed by the whole House. The decision to publish data from July 2017 was taken on the basis of consultation and broad support from the majority of political parties in Northern Ireland.

**Layla Moran:** How can it be right that the very party that would come under investigation if donations dating back to 2014 were published essentially gets a veto? We know that the leave campaign is now under investigation for donations during the referendum. Surely Northern Ireland deserves that kind of transparency, too. Why are this Government ignoring the recommendations of the Electoral Commission?

**Mr Vara:** I am sorry that the hon. Lady seeks to make political capital out of this. The then Secretary of State for Northern Ireland, my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), wrote to all the political parties in January 2017 regarding transparency and a date. With the exception of one party, they all agreed on the way forward. As for any other issues, I am sorry that the hon. Member for Oxford West and Abingdon (Layla Moran) cannot accept the broad view of the majority of parties in Northern Ireland.

**Paul Girvan** (South Antrim) (DUP): Does the Minister agree that the loophole that allows millions of pounds of donations, including money from America, to be channelled to Sinn Féin through the Irish Republic drives a coach and horses through the UK's financing rules that seek to prevent foreign influence on elections in the UK? This loophole needs to be closed for Northern Ireland to be brought in line with the rest of the UK.

**Mr Vara:** I appreciate that this is a long-standing issue and a matter of concern. What I will say is that we have just introduced measures for transparency. It is important that we have some data as we move forward. Then, as with many other things, there is no reason why there cannot be a review. When that review takes place, there will be consultation with the Northern Ireland parties and the Electoral Commission.

### IRA and INLA Victims

10. **Greg Hands** (Chelsea and Fulham) (Con): What steps she has taken to seek closure for victims of the Irish Republican Army and Irish National Liberation Army activity during the troubles. [907327]

**The Secretary of State for Northern Ireland (Karen Bradley):** I have been deeply moved by the personal stories of pain and suffering endured by the families of the victims and survivors of the troubles. That is why we have consulted on how we best move forward and address the legacy of Northern Ireland's past. I wanted everyone to have the opportunity to be heard, and over 17,000 responses have been received. It is right that we take the time to consider those responses carefully. We will set out how we intend to move forward in due course.

**Greg Hands:** I met the Home Secretary yesterday on behalf of Airey Neave's family to discuss his brutal murder on these very premises almost 40 years ago. Will my right hon. Friend the Secretary of State for Northern

Ireland join me in saying that the victims of the IRA and the INLA on mainland Britain also deserve information and closure on the troubles?

**Karen Bradley:** My right hon. Friend is a doughty campaigner for the family of Airey Neave, some of whom live in his constituency. We have spoken about the issue, and he will know that this matter is dealt with by the Home Office, as are all terrorist atrocities in Great Britain. I will work with him to get that closure.

**Jim Shannon** (Strangford) (DUP): I thank the Secretary of State for her response. The victims of the Irish Republican Army and the Irish National Liberation Army in Northern Ireland deserve recognition. What discussions has she had with the police to set aside money for those investigations to take place?

**Karen Bradley:** The hon. Gentleman makes an important point. Today the Police Service of Northern Ireland, through its legacy investigations unit, is investigating far too many troubles-related crimes, and proportionately more killings relating to the military and the Royal Ulster Constabulary. That is not right, and that is why we want to change the system. [*Interruption.*]

**Several hon. Members** rose—

**Mr Speaker:** Order. There is far too much noise in the Chamber. I would like there to be an appropriate hush for the hon. Member for South East Cornwall (Mrs Murray).

**Mrs Sheryll Murray** (South East Cornwall) (Con): The witch hunt against our brave veterans is unacceptable.

**Mr Speaker:** That is extraordinarily interesting, but I think we should start with Question 12.

### Legacy Consultation

12. **Mrs Sheryll Murray** (South East Cornwall) (Con): What progress she has made on the consultation on addressing the legacy of Northern Ireland's past. [907329]

**The Secretary of State for Northern Ireland (Karen Bradley):** The legacy consultation ran for 21 weeks and, during that time, representatives from the Northern Ireland Office engaged with a wide range of stakeholders, victims' and survivors' groups, political parties, community groups and others.

**Mrs Murray:** The witch hunt against our brave veterans is unacceptable. My constituent, who lives opposite the surgery where I used to work, has reportedly refused much-needed medical treatment so that he can get to court. Many will not forgive us, and nor should they, if he is lost due to disease once this case continues. When will the Government stop consulting and bring an end to these ridiculous cases?

**Karen Bradley:** We all owe a vast debt of gratitude for the heroism and bravery of the soldiers and police officers who upheld the rule of law during the troubles in Northern Ireland. The current system under which my hon. Friend's constituent is being investigated is not

working well for anyone, which is why we consulted on how we can improve it as quickly as possible. We are reviewing the thousands of responses received and we will set out in due course how we intend to respond.

**Several hon. Members** *rose*—

**Mr Speaker:** Oh very well, we will hear the good doctor if it is a sentence. I call Dr Julian Lewis.

**Dr Julian Lewis** (New Forest East) (Con): Does the Secretary of State accept that someone must cut the Gordian knot that is preventing us from ensuring that our armed forces veterans are not persecuted and pursued in the courts decades after they have faithfully served us?

**Karen Bradley:** My right hon. Friend has done significant work in this area, and I agree with him that the current system is simply not working for anyone and we need to change it. I look forward to working with him to find a way of changing the system that works for people.

## PRIME MINISTER

*The Prime Minister was asked—*

### Engagements

Q1. [907378] **Alan Brown** (Kilmarnock and Loudoun) (SNP): If she will list her official engagements for Wednesday 31 October.

**The Prime Minister** (Mrs Theresa May): I know that the whole House would like to join me in sending our deepest condolences to the families of those who were killed in the horrific attack at the Tree of Life synagogue in Pittsburgh on Saturday. The UK stands shoulder to shoulder with our Jewish friends across the world.

This is the last Prime Minister's questions before Armistice Day, and this year's is particularly poignant, as it marks 100 years since the end of the first world war. It is right that we remember all those who have served and continue to serve, those who have been injured and those who have given their lives in the service of this country.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

**Alan Brown:** I concur with the condolences about the horrific massacre and about those who have served in our armed forces.

My Italian-born constituent Laura Nani has resided here since 1984, has attended school here, has had two children and has a British mother, yet the Department for Work and Pensions has just decided that she "does not have a right to reside".

That is partly because she cannot prove she has had five years of continuous work, a situation that many European Union nationals, including my wife, will find themselves in when formally applying for settled status. So what message does the Prime Minister have for Laura, for my wife and for other EU nationals who face rejection by this heartless UK Government?

**The Prime Minister:** EU nationals do not face rejection by this Government. We have been very clear about our commitment to protect the rights of EU nationals who are living here in the United Kingdom when we leave the EU.

Q4. [907381] **Mr Mark Harper** (Forest of Dean) (Con): May I welcome what my right hon. Friend said about Armistice Day? That will be welcomed by the 1st Battalion, The Rifles, who are based in my constituency.

The Prime Minister will know that the tax burden is approaching a 50-year high and that we do not help families with the cost of living by raising their taxes, so I am really pleased that we kept our promise to cut taxes for 32 million people. May I ask her to make sure that as the economy grows we continue both to cut taxes and to spend money on our priorities in a balanced way that works for everyone in our country?

**The Prime Minister:** I thank my right hon. Friend for that. He is absolutely right: the Budget did cut taxes for 32 million people, and the rise in the personal allowance will leave a basic rate taxpayer more than £1,200 better off next year than they were in 2010. Helping people with the cost of living is not just about those income tax cuts: the rise in the national living wage next year will give a full-time worker an extra £2,750 in annual pay since its introduction; and of course by freezing fuel duty we have saved the average driver £1,000 compared with pre-2010 plans. We will continue to help with the cost of living with our balanced approach to the economy.

**Jeremy Corbyn** (Islington North) (Lab): I join the Prime Minister in sending our sympathies and solidarity to the Tree of Life synagogue in Pittsburgh. The attack was disgusting, depraved and appalling, and I am sure that every single Member of this House would completely and unreservedly condemn it for what it is.

I will be joining the Prime Minister to commemorate Armistice Day and remember all those who lost their lives in the first world war and, indeed, all the other wars since.

**Mr Speaker:**

"If I were a prison governor, a local authority chief executive or a head teacher, I would struggle to find much to celebrate" in the Budget.

"I would be preparing for more difficult years ahead."

Does the Prime Minister think that that analysis is wrong?

**The Prime Minister:** If the right hon. Gentleman looks at what we set out in the Budget, he will see that we set out more money for schools, more money for prisons—[*Interruption.*] Yes, more money for prisons. What we have set out in the Budget is that austerity is indeed ending. What does that mean? Ending austerity is about continuing to bring debt down and putting more into our public services. We will set out further details in the spending review. Ending austerity is not just about putting more into public services; it is about putting more money into people's pockets, as my right hon. Friend the Member for Forest of Dean (Mr Harper) just made clear. What we are doing in this Budget is



giving the NHS the biggest cash boost in its history. The Leader of the Opposition used to ask me what taxes would go up to fund the rise in NHS funding; the answer on Monday was that it is fully funded without putting up taxes.

**Jeremy Corbyn:** Just for the record, the words that I quoted in my previous question were from the Institute for Fiscal Studies. Non-protected Departments face a real-terms cut of £4.1 billion. The Prime Minister promised that austerity was over; the reality is that it was a broken-promise Budget, and she knows it.

With violent crime rising, police numbers slashed and conviction rates down, why did the Government fail to find a single penny for neighbourhood policing in the Budget?

**The Prime Minister:** First, we did put extra money into counter-terrorism policing in the Budget. That was on top of the £460 million extra that has been made available for policing this year. That is in sharp contrast to what the Labour party was saying at the 2015 election, when it said that the police should take 10% cuts in their budgets.

**Jeremy Corbyn:** Mr Speaker:

“This is just another example of the contempt in which the Government holds police officers.”

Who said that? Not me; the Police Federation. No wonder the Police Federation and police chiefs are taking the Government to court over their pay.

With school funding cut by 8% per pupil, do the Prime Minister and her Chancellor think that the “little extras” are enough to end austerity in our schools?

**The Prime Minister:** What we actually see happening, as I said earlier, is more money for schools announced in the Budget. That is on top of the £1.4 billion extra that has already been announced for schools this year, and a further £1.2 billion will go into schools next year. The right hon. Gentleman is wrong, because overall per pupil funding is being protected in real terms by this Government. What do we see in the Budget? We are ending austerity, bringing debt down and putting more money into our public services. We are taking the country forward. What would he do? His policy would mean borrowing more, taxing more and wasting more, and taking us back to square one.

**Jeremy Corbyn:** Mr Speaker:

“Many schools, including mine, have had to resort to asking students and their parents for funds.”

That is not me but Sasha, a parent, worried about the future of her school, because this broken promise Budget means that headteachers will still be writing begging letters to parents. Can the Prime Minister explain why she chose not to end the benefit freeze for 10 million households, but, instead, brought forward a tax cut for higher earners?

**The Prime Minister:** As the right hon. Gentleman knows, we have put extra money into universal credit in the Budget. Importantly, universal credit is a welfare reform that ensures that people are encouraged to get into the workplace and that, when they are there, they earn more. I am interested that he chose to raise the question of tax cuts. On Monday, he said that cutting taxes for 32 million people was frittering money away

on “ideological tax cuts”. Yesterday, the shadow Chancellor said that Labour would support the tax cuts. [HON. MEMBERS: “Ah!”] On Monday, the Leader of the Opposition, talked about tax cuts for the rich. Yesterday, his shadow Chancellor said what we have always known, which is that the tax cuts were for “middle earners”—“head teachers and people like that”.

When the right hon. Gentleman stands up, perhaps he can tell the House whether he will back the tax cuts and vote for the Budget—[*Interruption.*]

**Jeremy Corbyn** rose—

**Mr Speaker:** Order. It does not matter; I have all the time in the world. It will take as long as it takes. The right hon. Gentleman will address a House that has the manners to listen. The same goes for when the Prime Minister is speaking. There will be a decent display of respect, and we will go on for as long as necessary, as the public would expect, to ensure that that is the way we operate. That is all there is to it.

**Jeremy Corbyn:** The benefit freeze takes £1.5 billion—[*Interruption.*] If the right hon. Gentleman will wait a moment, I will explain my question.

**Mr Speaker:** Order. Mr Hands, calm yourself, young man. You are getting a little over-excited. I know that you have already asked a question. You blurted it out to the best of your ability and we are most indebted to you, but now is the time to keep quiet.

**Jeremy Corbyn:** The benefit freeze takes £1.5 billion from 10 million low and middle-income households. A low-income couple with children will be £200 worse off. For them, there is no end to austerity. Labour would have ended the benefit freeze. As the Prime Minister well knows, Labour policy is to raise taxes for the top 5% and for the biggest corporations in the country. That would be a fair way of dealing with financial issues facing this country. Will she kindly confirm that there is still another £5 billion of cuts to social security to come in this Parliament—if it lasts until 2022—hitting the incomes of those with the least? Will she confirm that—yes, or no?

**The Prime Minister:** Of course, what the right hon. Gentleman fails to mention from the Budget is that, as a result of the changes that we have made on universal credit, 2.4 million people will benefit by £630 a year. When he talks about helping those who are on low incomes, I say, yes, we are helping people on low incomes—we are saving people money by freezing fuel duty. That has been opposed by the Labour party. We are letting people keep more of the money that they earn by cutting income tax. That has been opposed by the Labour party. He keeps claiming that he is backing working people, but I say to him again that if he wants to put more money into people’s pockets, and if he wants to take care of working people, he should vote for the Conservative Budget on Thursday.

**Jeremy Corbyn:** I am really not very clear whether that was a yes or a no.

The Prime Minister once claimed to be concerned about “burning injustices”—well, that concern has fizzled out, hasn’t it? This was a broken promise Budget. The Prime Minister pledged to end austerity at her party

conference, and the Chancellor failed to deliver it in this House. The cuts continue. Those on lower incomes will be worse off as a result of this Budget. Austerity has failed and needs to end now. It is very clear: only Labour can be trusted to end austerity, end the cuts for those on the lowest incomes and invest in our country again. Now we know: councils, schools, police, prisons—*[Interruption.]*

**Mr Speaker:** Order. Members may shout as long and as loudly as they like, and if they feel that they want to indulge themselves doing that, so be it. The right hon. Gentleman's question will be heard—[HON. MEMBERS: "When it comes."] Yes, when it comes, but it will be heard in full, so do not waste your breath and damage your voices.

**Jeremy Corbyn:** Mr Speaker, I am sure that some Conservative Members will not have heard what I was saying, so I shall repeat it for their benefit. Now we know: councils, schools, police, prisons, public sector workers and people reliant on social security still face years of austerity. Will the Prime Minister apologise for her broken promise that she was going to end austerity, because she has failed to do that?

**The Prime Minister:** First of all, the right hon. Gentleman talked about my commitment to tackle burning injustices. *[Interruption.]* "Yes", they say from the Opposition Front Bench. Indeed. Was it Labour that introduced the Modern Slavery Act? No, it was not. Was it Labour that ensured that people in mental health crisis were not being taken to police cells as a place of safety? No, it was me. Was it the Labour party that introduced the race disparity audit, so that for the first time we can see what is happening to people from across our communities in this country? No, it was me and this Government. And I will tell him what else this Government have done—by taking a balanced approach to the economy and careful financial management, what do we see? Borrowing down, unemployment down, income tax down—*[Interruption.]* "Up", Opposition Members say. I shall tell them what has gone up—*[Interruption.]*

**Mr Speaker:** Order. I said that the right hon. Member for Islington North (Jeremy Corbyn) must be heard. The reply from the Prime Minister must be heard.

**The Prime Minister:** Labour Members want to know what has gone up. I shall tell them what has gone up—*[Interruption.]* As long as it takes, I am going to tell them. Support for public services up, growth up, wages up—but debt is falling and austerity is ending. Under the Conservatives, the hard work of the British people is paying off.

Q10. [907387] **Robert Halfon** (Harlow) (Con): CLIC Sargent, a wonderful cancer charity for children, has found that families in Harlow face a 54-mile round trip to get to their nearest treatment location, costing them up to £161.58 per month. Average families taking their children for cancer treatment are paying £180 per month. Given the huge £20 billion increase in the NHS budget, will my right hon. Friend meet me and CLIC Sargent, and introduce a young cancer travel fund to help those families with the cost of living?

**The Prime Minister:** I thank my right hon. Friend for his question. He raises a very important issue. Obviously, our thoughts are with those children and their families at what must be a really difficult time for both the children and their families. We continue to look at what we can do to help them. I believe that when he talks about children from his constituency going to the nearest specialist treatment centre, that is Great Ormond Street, which does wonderful work in this country for children. We have a healthcare travel cost scheme that allows patients to receive reimbursement for their travel costs if they are in receipt of a qualifying benefit and on a low income, but we absolutely recognise that there is more to do, particularly on the cost of living for cancer patients, including children and young people, as my right hon. Friend said. I know that the relevant Minister from the Department of Health and Social Care will be very pleased to meet him and the charity to discuss that further.

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): May I associate myself with the Prime Minister's remarks regarding the Tree of Life massacre and, of course, Armistice Day?

Can the Prime Minister guarantee the supply of medicines to the NHS in the light of a no-deal Brexit?

**The Prime Minister:** First of all, as the right hon. Gentleman knows, we are working for a good deal for Brexit. As he will also know, all Departments—indeed, we have issued technical notices to businesses and others—are making contingency arrangements should no deal occur.

**Ian Blackford:** Of course, that was no answer to the question, "Can the Prime Minister guarantee the supply of medicines in the light of no deal?" Why did this Government, last week, quietly begin a dramatically truncated tender process to try to stockpile medicines, at a cost of tens of millions of pounds—funds that should be spent on frontline health services? The Prime Minister has only been concerned about how Brexit might harm the Conservative party; it is time that she woke up to the real harm her Brexit policies could cause to patients. Is it not the truth that this Government are in a blind panic trying to cover for a blind Brexit?

**The Prime Minister:** No. Let me just say to the right hon. Gentleman, first of all, that if he had been listening and paying attention over the last months, he would have known that actually in the Budget last year the Chancellor made it clear that there was money available for no-deal planning. We stepped up the no-deal planning in the summer. Departments like the DHSC are ensuring that they are making the responsible contingency decisions that any Government Department would make. What we are doing is working for a good deal for Brexit, and we are working for a good deal that will benefit the whole of the United Kingdom, including Scotland.

Q11. [907388] **Mr Peter Bone** (Wellingborough) (Con): I always thought the Chancellor was a bit iffy about Brexit, but how wrong I was. This week he announced a Brexit dividend Budget if we come out of the European Union with no deal. He will be able to cut tariffs, abolish VAT on certain products, and reallocate the £39 billion that he was going to give to the EU to

this country, cutting taxes, improving public services, and lowering debt. Prime Minister, I always thought that you could be the Queen of Brexit, but did you ever think that the Chancellor could be the King of Brexit?

**The Prime Minister:** I am pleased to see the support my hon. Friend shows for the Chancellor. What the Chancellor delivered this week was a Budget that is good for people up and down this country, and we should all be celebrating that.

Q2. [907379] **Teresa Pearce** (Erith and Thamesmead) (Lab): In 2014, I wrote to Her Majesty's Revenue and Customs and the then Chancellor to ask how much tax was unpaid on letting income from private landlords. HMRC wrote back to me and said that it was £500 million, in its estimate, which is enough to build about 7,000 social homes. How much is that tax gap now?

**The Prime Minister:** In overall terms, we have been closing the tax gap over the years. As I think my right hon. Friend the Chancellor said in his Budget on Monday, since 2010, through the work we have been doing to close the tax gap to ensure that we deal with tax evasion and avoidance, we have actually collected, or protected, £185 billion of revenue for the Government.

Q12. [907389] **Steve Double** (St Austell and Newquay) (Con): It is 47 years ago this week that the UK's last space launch took place through the Black Arrow project. Many of us feel that that is too long. While the confirmation of the vertical spaceport in Scotland is very welcome, the real prize is to be first to market with horizontal launch capability. As the Prime Minister will know, Spaceport Cornwall is well placed to deliver that prize. Will she confirm that the Government remain ambitious to be a first mover on horizontal launch, and will she back Spaceport Cornwall's bid?

**The Prime Minister:** My hon. Friend raises a very important issue. He is, as I would expect, championing the cause of Cornwall, and one or two of my other hon. Friends from Cornwall are supporting him. We have awarded grants worth £31.5 million to enable satellites to be launched from UK soil, and we have also announced a £2 million fund, subject to business case, to help boost airports' ambitions to offer horizontal space flight. That includes sites such as Newquay, Glasgow Prestwick and Snowdonia. The UK space flight programme continues to consider these leading proposals, and I am sure it has heard my hon. Friend's championing of the request for Cornwall.

Q3. [907380] **Lilian Greenwood** (Nottingham South) (Lab): My hon. Friend the Member for Bassetlaw (John Mann) has told me about the harrowing evidence he witnessed during three weeks of hearings by the independent inquiry into child sexual abuse while it was investigating Nottinghamshire councils. I have also read some of the survivors' courageous testimonies. I hope that when the inquiry panel publishes its recommendations next summer, the Prime Minister will accept them in full, but the survivors need help now. A suggestion that has come forward is that a small amount of money for survivors' groups would have a disproportionate impact, providing support and

encouraging others to come forward. Will she ensure that resources are made available to provide that help now?

**The Prime Minister:** The hon. Lady raises a very important issue. I am pleased that I was able to set up the inquiry into child sexual abuse. As I said at the time, I think people will be shocked to know the extent to which children were being abused in this country in many different environments and circumstances. She has raised a particular issue in relation to Nottinghamshire. When the independent inquiry's report comes forward, we will look at its recommendations very seriously. I will ask the relevant Minister to look at the issue that she raised about survivors' groups. We have worked with survivors' groups—I did so when I was at the Home Office. It was talking to them and hearing from them that made me realise exactly how terribly badly people have been treated, the appalling crimes committed and the appalling abuse they have suffered. That is why it is important that this independent inquiry gets to the truth.

**Mr Andrew Mitchell** (Sutton Coldfield) (Con): Following the welcome call overnight from the American Administration for the ending of the Saudi bombing campaign in Yemen, will my right hon. Friend use Britain's undoubted authority at the United Nations to press for a new Security Council resolution demanding an immediate ceasefire and meaningful and inclusive negotiations, to end what is the worst and most terrifying humanitarian catastrophe on the planet?

**The Prime Minister:** I thank my right hon. Friend, who I know has been consistent in pressing on the needs of the people of Yemen. We certainly back the US's call for de-escalation in Yemen. He references our role in the United Nations Security Council. In fact, in March we proposed and co-ordinated a UN Security Council presidential statement, which called on the parties to agree steps towards a ceasefire. That remains our position, but as the Minister for the Middle East, my right hon. Friend the Member for North East Bedfordshire (Alistair Burt), said in the House yesterday,

"a nationwide ceasefire will have an effect on the ground only if it is underpinned by a political deal between the conflict parties."—  
[*Official Report*, 30 October 2018; Vol. 648, c. 775.]

My right hon. Friend the Foreign Secretary discussed that matter last night with Martin Griffiths, the UN special envoy. They agreed that the UK will continue to encourage all parties to agree to de-escalation and to a lasting political deal that will ensure that any ceasefire will hold in the long term.

Q5. [907382] **Christian Matheson** (City of Chester) (Lab): Young women are dying because if they are aged under 25 they cannot get a cervical smear test, even if they have the relevant symptoms, and even if their GP wants them to have one. Will the Prime Minister take the easiest decision she will be asked to take this year and abolish this arbitrary age limit, and in doing so save women's lives?

**The Prime Minister:** I recognise the issue that the hon. Gentleman has raised. It is one that has been raised before. Of course, on issues like this, it is important that we take clinical guidance, but issues about the

future of the NHS and how it operates are matters that those in the NHS are themselves considering as part of their long-term plan for the future.

**Fiona Bruce** (Congleton) (Con): Will the Prime Minister welcome the acquittal this morning by Pakistan's Supreme Court of Asia Bibi, a young Christian, a wife and mother of five, who has spent over eight years in prison—mostly in solitary confinement—facing the death penalty on blasphemy charges merely for drinking water from a communal supply? Will the Prime Minister in particular commend Chief Justice Saqib Nisar for his courage and integrity in the message he has sent out regarding religious freedom for those of all faiths and none in delivering this judgment, setting Asia free and rectifying a great injustice?

**The Prime Minister:** The news out of Pakistan of the release of Asia Bibi will be very welcome to her family and to all those who have campaigned in Pakistan, and indeed around the world, for her release. Our long-standing position on the death penalty is well known: we call for its abolition globally.

Q6. [907383] **Chris Ruane** (Vale of Clwyd) (Lab): Since 2010, the number of rough sleepers has risen from 1,700 to 4,700. We now have homeless tent encampments outside on Victoria Street. Homelessness charities believe that one of the main reasons for the huge increase is the botched introduction of universal credit and a general hostile environment towards the poor. May I ask the Prime Minister why she believes the number of rough sleepers has shot up by 268% on her watch?

**The Prime Minister:** We recognise that we need to take action in relation to rough sleepers. We have a commitment to halve rough sleeping by 2022 and to end rough sleeping by 2027. That is why we have already published a strategy to deal with this; we have put initial funding of £100 million into it, and there are pilot projects being worked on in various parts of the country. If he is interested in this issue of rough sleeping, I hope he will support the proposals that the Government have put forward, which were confirmed in the Budget, for increasing stamp duty on those purchasing properties in the UK who do not live or work in the UK, with that money to go into supporting people who are rough sleeping.

**Tom Tugendhat** (Tonbridge and Malling) (Con): Will my right hon. Friend join me, when she goes to the Cenotaph next Sunday, in paying tribute not only to our own war dead from this country, but to the 3 million who came from the Commonwealth to serve in the cause of freedom? I will, sadly, not be in Tonbridge this weekend; I will be laying a wreath in Delhi, paying my own tribute—and, I know, paying tribute on behalf of the whole House—to those who suffered and died.

Will the Prime Minister join me also in wearing a khadi poppy at some point, the reason for which is that the homespun cotton remembers Gandhi's and India's contribution to the effort? It is a vital reminder to all of us here of our links around the world, but particularly to India.

**The Prime Minister:** I thank my hon. Friend for highlighting the vital contribution that was made by soldiers from around the Commonwealth—he has

highlighted particularly those from India. I also pay tribute to him for his own military service. We must never forget that over 74,000 soldiers came from undivided India and lost their lives—eleven of them won the Victoria Cross for their outstanding bravery—and he will know they played a crucial role in the war across multiple continents. I would also like to congratulate the Royal British Legion and Lord Gadhia on their efforts in recognising this contribution with the special khadi poppy, honouring the sacrifice of everyone who served a century ago.

I am certainly interested in wearing a khadi poppy at some stage over the period as we lead up to Armistice Day, just as I am pleased to be wearing—*[Interruption.]* The hon. Member for Walsall South (Valerie Vaz), who is on the Front Bench opposite, says she is wearing one, which I am very pleased to see. I would also like to say that I am very pleased to wear the ceramic poppy today—I see a number of hon. Members are wearing them, and they were created by children at a school in the north-west. *[HON. MEMBERS: "St Vincent's."]* St Vincent's, indeed. It is very important, at this centenary, that we all recognise and that younger generations understand the immense sacrifice that was made for their freedom.

Q7. [907384] **Paula Sherriff** (Dewsbury) (Lab): What does the Prime Minister say to staff at my local primary school, who have written to me in desperation as they are struggling to cover their basic pay? The Budget offered just a 10th of the money already cut, and that can be spent only on the "little extras". The Chancellor said that schools struggling to keep teachers, save subjects or maintain hours could now buy a new whiteboard or laptop, but what use is a whiteboard if there is no teacher to use it?

**The Prime Minister:** As I said earlier in response to the Leader of the Opposition, we were already putting £1.4 billion extra into schools this year, we are putting an extra £1.2 billion into schools next year and the £400 million announced in the Budget comes on top of that £1.4 billion this year. Crucially, overall, per-pupil funding is being protected in real terms.

**Mr Mark Francois** (Rayleigh and Wickford) (Con): Prime Minister, you quite rightly referenced the centenary of the first world war. Would that not be a very fitting time to end another burning injustice—namely, the legal scapegoating of brave Army veterans by others for political or financial gain? Last week, 104 of your Conservative colleagues, Opposition Members and over 50 Members of the other place, including four previous Chiefs of the Defence Staff, wrote to you and asked you to join with us in defending those who defended us. I know that there are only 104 of us—but nevertheless, are you with us?

**The Prime Minister:** I recognise the passion with which my right hon. Friend has championed the interests of our brave soldiers; we owe so much to them across so many different areas and so many different fronts—for their heroism, their bravery and everything they have done to maintain our freedom.

My right hon. Friend has raised particularly, in the past and now, the issue that was raised in Northern Ireland questions as well: the legacy concerns in relation to what happened during the troubles and the cases

being taken against not just soldiers, but police officers, who also bravely defended freedom in Northern Ireland and acted against the terrorists.

We are committed to making sure that all outstanding deaths in Northern Ireland should be investigated in a way that is fair, balanced and proportionate. The current mechanisms are not proportionate: there is a disproportionate focus on former members of the armed forces and the police. We want to see these deaths being investigated in ways that are fair, balanced and, as I say, proportionate.

Q8. [907385] **Stewart Hosie** (Dundee East) (SNP): I have a constituent, Mr Hassan Mirza—a UK citizen—who for the best part of the last decade has been unsuccessfully trying simply to renew his passport. For some of our fellow citizens, the system is clearly broken. May I ask the Prime Minister whether her office—not the Home Secretary or the Immigration Minister—will review this case and then come back to this House and tell us whether waiting 10 years simply to renew a passport is even remotely acceptable?

**The Prime Minister:** I assure the hon. Gentleman that I will make sure that the case is properly looked into.

**Dame Caroline Spelman** (Meriden) (Con): I associate myself with the fine words of the Prime Minister and others about the armistice. May I invite her to warmly welcome the choir of the Bundestag and its President, who will join our own Parliament's choir this evening at a commemorative concert in Westminster Hall to mark this historic occasion?

**Mr Speaker:** I was hoping that the right hon. Lady was going to offer us a little sample of what is in store.

**The Prime Minister:** I am very happy to join my right hon. Friend in welcoming the choir of the Bundestag and the German Vice-President to the concert taking place this evening—a fitting way to recognise the centenary of the armistice. As my right hon. Friend may also know, the German President will be laying a wreath at the Cenotaph this year. What armistice gives us is an opportunity to come together to remember the immense sacrifices made in war, but also to join with our German friends to mark reconciliation and the peace that exists between our two nations today. The concert this evening is part of that, as will be the German President's presence at the Cenotaph.

Q9. [907386] **Albert Owen** (Ynys Môn) (Lab): The Prime Minister rightly chooses north-west Wales as the place to spend her holidays and her mountain walks inspire her to make decisions such as the 2017 general election. Among the delights of north Wales is its food and farming sector, in particular Menai Strait seafood. It relies on direct and fast exports to the European Union, which are currently free of barriers and tariffs. Can the Prime Minister assure the House that that sector, as well as the automotive and aviation sectors, will after March be able to enjoy the same free movement, underpinned by a comprehensive customs union?

**The Prime Minister:** The hon. Gentleman has named a number of sectors. We have heard from those sectors their concern about frictionless trade. The proposal we have put forward to the European Union would provide for that frictionless trade as part of a free trade area.

**Amber Rudd** (Hastings and Rye) (Con): BD Foods in Hastings is a successful food manufacturer that supplies hotels and restaurants. It recently made a very good breakfast sauce called the Full English Brexit, which I think will be appreciated by many of my colleagues although it is a little hot for me. The chief executive, John Davis, has been in touch with me. He would like to invest £2.5 million, securing jobs and further investment in the business, but he is concerned about continued access to the single market as we leave the European Union, either through the single market or the common rulebook. Will the Prime Minister bear in mind, as she concludes the negotiations, the importance of protecting investment in jobs all over the country?

**The Prime Minister:** I think our hon. Friend the Member for Wellingborough (Mr Bone) might well like to put the hot English Brexit sauce on his breakfast sausages. I reassure my right hon. Friend that the plan we have set out recognises the importance of protecting jobs in this country. We want a business-friendly customs model with the freedom to strike new trade deals around the world, but also a good trade deal with the European Union, with a free trade area—that common rulebook for industrial goods and agricultural products. That will be good for jobs and we are working towards that good deal.

Q13. [907390] **Sir David Crausby** (Bolton North East) (Lab): Up to £20 billion sits in pension funds unclaimed by pensioners. That is why the Pensions Dashboard, which helps people to make sense of their pensions, is such a good idea. So why are the Government backtracking on delivering the dashboard by putting the responsibility on the pensions industry? Does the Prime Minister really believe that the industry responsible for all that unclaimed money is best suited to taking control of helping pensioners to retrieve what is rightly theirs?

**The Prime Minister:** I agree with the hon. Gentleman that it is important people understand their pensions and what they are entitled to. That is why the Department for Work and Pensions is working with the pensions industry on this issue. We are not just working with them; we have actually put some money forward as part of the project to ensure that that information is there and is available to people.

**Dr Julian Lewis** (New Forest East) (Con): Will the Prime Minister give reassurance to those of us in this House and in the country who voted to leave the European Union that under no circumstances will she recommend or agree to any alteration in the exit date of 29 March next year?

**The Prime Minister:** I am happy to give that reassurance. We are leaving the European Union on 29 March 2019.

Q14. [907391] **Martyn Day** (Linlithgow and East Falkirk) (SNP): Many EU nationals live in my constituency. Does the Prime Minister think it is fair that these valued citizens, who have lived here for years and contribute to the community, should have to pay for the right to stay?

**The Prime Minister:** I say to the hon. Gentleman, as I said to his colleagues, that we are protecting EU citizens' rights. That was one of the key issues we put at the forefront of the discussions before the December joint

report was agreed. But we are actually going further than that. I was pleased to be in Norway yesterday and to discuss with European economic area and European Free Trade Association countries the protection we will give to EEA and EFTA citizens when we leave the European Union.

**Victoria Prentis** (Banbury) (Con): There are 50,000 amputees in Syria. Will the Prime Minister join me at the “Singing for Syrians” flagship concert in St Margaret’s to hear parliamentarians from across the House sing like they can hear us, and remind the people from Syria, the civilians, that we have not forgotten them?

**The Prime Minister:** I will look at my diary. I cannot guarantee, standing here, that I will be able to attend the concert, but I commend my hon. Friend and the parliamentarians who will be taking part in it for the work that they are doing. “Singing for Syrians” is a great movement. It is a great thing that not just raises money, but reminds people of the importance of remembering those civilians in Syria. As she says, we want to ensure that they know they have not been forgotten.

Q15. [907392] **Mary Glendon** (North Tyneside) (Lab): The only way that Smulders in North Tyneside can continue to bid successfully for jacket foundation contracts is if the National Grid cables over the Tyne are moved. Will the Prime Minister commit her good offices to work with National Grid to have the cables removed by 2020, so that Smulders and other major North Tyneside and wider Tyneside manufacturers can win contracts and secure north-east jobs for many years to come?

**The Prime Minister:** I will be pleased to make sure that a relevant Minister in the Department for Business, Energy and Industrial Strategy looks at the issue that the hon. Lady has raised.

**Gillian Keegan** (Chichester) (Con): During a recent meeting with primary school heads in Chichester, I was shocked to discover that every single one of them had been subject to violent attacks by pupils or parents. As the Government launch their NHS violence reduction strategy today, will my right hon. Friend consider what else we can do to protect our teachers in the valuable work that they do?

**The Prime Minister:** I am certainly happy to look at the issue that my hon. Friend has raised. She refers to what I assume is physical violence or attacks that teachers have been under. I have also seen cases where teachers have come under considerable, I would say, harassment and bullying on social media as well, so I think this is an issue that we do need to look at.

**Chuka Umunna** (Streatham) (Lab): Black Cultural Archives, based in Lambeth—I am a patron of it—is the only national heritage centre dedicated to preserving and celebrating the histories of black people in this country. However, unlike other national institutions such as the National Gallery or the British Museum, which get over 40% of their funding from central Government, BCA currently receives none and is under threat of closure. The Prime Minister talked about the race disparity audit. Can I ask her to explain the

differential treatment of BCA and in this Windrush year, of all years, to right this wrong and provide it with the funding that it desperately needs?

**The Prime Minister:** I say to the hon. Gentleman that a difference of approach is taken between those museums that are considered to be national museums and those that have developed in other circumstances. I recognise what he is saying about the importance of this particular organisation and the relevance of what it is commemorating and reflecting, and I will ask a Department for Digital, Culture, Media and Sport Minister to look at the issue that he has raised.

**Andrew Jones** (Harrogate and Knaresborough) (Con): High streets are the centres of our communities, and they have a social as well as an economic function, but the internet has changed everything. That is why I welcome the levelling of the playing field announced in the Budget this week through the cut in business rates and through the future high streets fund, but will local businesses in Harrogate and Knaresborough be able to work with the local council to decide how that money is spent?

**The Prime Minister:** I thank my hon. Friend for highlighting the help that we are providing to the high street through our future high streets fund. As he says, this will enable local areas to develop and fund plans to make their high streets and town centres fit for the future. We will be supporting local leadership with a high streets taskforce, giving high streets and town centres expert advice on how to adapt and thrive, and it will be possible for local businesses to work with their local authorities to develop the plans that will indeed ensure that we continue to have plans for the high street that are fit for our towns and cities.

**Louise Haigh** (Sheffield, Heeley) (Lab): Last week, the Prime Minister inadvertently misled the House in response to my hon. Friend the Member for Bradford South (Judith Cummins) over police pensions. This week, it has emerged that the National Police Chiefs’ Council has taken the unprecedented step of threatening legal action against the Government over their £165 million raid on pensions. Is it not the case that, under the Prime Minister’s leadership, this Government have destroyed relations with the police so considerably that they have risked public safety?

**The Prime Minister:** The hon. Lady is wrong in her portrayal of what has happened. I said that the pensions issue had been known about for a number of years, and indeed it has been known about for a number of years. We are committed to public sector pensions that are fair to public workers but also fair to the taxpayer. It is important that the costs of those public sector pensions are understood and fully recognised by the Government. The Budget has made it clear that £4.5 billion is available next year to support public services in managing these increased pension costs, and my right hon. Friend the Home Secretary is working closely with the police to understand the impact of the pension changes and to ensure we make the right funding decisions to support frontline services.

**Philip Davies** (Shipley) (Con): Can the Prime Minister tell the House why she and her Government believe that Government spending should be increased faster on

overseas aid than on hard-pressed schools and police and fire services in the UK? While this House might be typically out of touch with public opinion on this issue, will she accept that the vast majority of the British people think that that warped priority is crazy crackers?

**The Prime Minister:** I continue to believe it is right that the UK maintains its commitment to spending 0.7% of GNI on international development. I suggest

that my hon. Friend look at the speech I gave in South Africa in August when I explained how we wanted to ensure that international development aid not only helped the most vulnerable people across the world but helped countries to provide the economies, good governance and jobs that would take them out of needing that aid in the future. It is right that we continue with our commitment to the poorest people across the world and to helping countries to secure a long-term, sustainable future.

## Points of Order

12.52 pm

**Thangam Debbonaire** (Bristol West) (Lab): On a point of order, Mr Speaker.

**Mr Speaker:** I am sure that hon. Members leaving the Chamber are doing so quickly and quietly so that the rest of us can attend to the point of order from the hon. Member for Bristol West (Thangam Debbonaire).

**Thangam Debbonaire:** In helping my constituent C to push the Child Maintenance Service to pursue the well-off but self-employed father of her two young children, I tabled a written parliamentary question about the difference in maintenance recovery between self-employed and employed absent parents. The Department told me that it held the data but that it was too expensive to provide. What guidance can you give me, Mr Speaker, on how I can push past this brick wall in pursuit of feckless dads failing to pay their maintenance and letting down their children?

**Mr Speaker:** I thank the hon. Lady for her point of order. My answer, off the top of my head, is twofold. Traditionally, the member of the Government who has felt a particular responsibility to chase answers from Ministers if they are not forthcoming, or to seek a substantive answer if it has not been provided, has been the Leader of the House. That has been the tradition over a very long period. I do not know whether the hon. Lady has approached the Leader of the House, but she is on the Treasury Bench and will have heard her point of order. It manifestly and incontrovertibly is the responsibility of Ministers to answer questions. I must advise the hon. Lady that there are circumstances in which it can genuinely and credibly be claimed that the provision of an answer would be disproportionately expensive, although that sounds rather unlikely in this case, given that the material is retained. She might seek to enlist the assistance of the Leader of the House. Alternatively, I would advise her to write to the extremely distinguished Chair of the Procedure Committee, the hon. Member for Broxbourne (Mr Walker), who may well wish to assist her in the way he has assisted Members across the House pretty much throughout his tenure as the distinguished Chair of the Committee. I hope that that is helpful.

**Simon Hoare** (North Dorset) (Con): On a point of order, Mr Speaker. This is a sensitive issue, and I hope that I phrase it correctly. We are all alert to the scourge of drugs in our towns and cities. I think the House would agree that if the sins of the father or the mother cannot be visited upon the sons, the same is true in reverse, but there is a case, as you will be aware, Mr Speaker, currently alive in the media involving a passholder in this place—and being a passholder is an honour, not a right—who has been found guilty of a drugs-related

crime. In preserving what I hope all quarters of the House would agree is an important aspiration—namely, public confidence in this place and in those people who carry passes—what role do the Commission and other House authorities have with regards to Members of this place and those to whom they issue passes?

**Mr Speaker:** I am immensely grateful to the hon. Gentleman for his point of order, though I am mildly disappointed that he did not furnish me with advance notice either of his intention to raise it or—better still—an indication as to its content. I say in all courtesy to him—I have known him for 30 years and he is a very decent chap—that it has absolutely nothing to do with the House of Commons Commission; it is a matter for me. I am very clear about that. If that matter is brought to my attention, ideally privately, I will discharge my responsibilities on the subject. I hope that my bona fides in such matters over a long period are unarguable. I hope that he feels satisfied that he has raised the point. I will deal with it sensibly.

**Catherine West** (Hornsey and Wood Green) (Lab): On a point of order, Mr Speaker. It has come to my attention that this week is Living Wage Week, but it was not raised this morning in Prime Minister's questions. Can you advise me how I can further highlight the question of Whitehall cleaners and their massive pay disparity? They serve the House of Commons as well as anyone else.

**Mr Speaker:** I do not think they serve the House of Commons. I do not want to engage in a Second Reading-style debate with the hon. Lady—

**Catherine West:** Ministers.

**Mr Speaker:** Yes, they may well serve Ministers, who are Members of the House of Commons, but they do not serve the House of Commons as an institution. The hon. Lady has achieved her objective in raising this issue. I will just say, not least for the benefit of Members who came into this place in 2017—and I say it with considerable pride—that this House is a living wage employer, as it should be. I was determined that it should secure its accreditation from the Living Wage Foundation. Absolutely everybody who works here should be paid at least the London living wage. If there are examples of people working within the Government service who are not receiving that remuneration, that is a matter of considerable concern, but that concern will have been heard by a Treasury Minister on the Treasury Bench. I can advise further the hon. Lady that if she feels that it has been inadequately aired in this Chamber and she wants a debate on the matter, she might find she is successful.

I hope that the point of order appetite has been satisfied, at least for today, and on the assumption that it has, perhaps we can move on.



## Banking and Post Office Services (Rural Areas and Small Communities)

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

12.58 pm

**Luke Graham** (Ochil and South Perthshire) (Con): I beg to move,

That leave be given to bring in a Bill to require banks to provide certain services in rural areas and small communities; to make provision for access to Post Office services in such areas and communities; and for connected purposes.

The Bill would amend the law relating to banking and Post Office services; make provisions to strengthen access to banking for rural and small communities by placing the access to banking standard on a statutory footing; place a duty on banks that received taxpayer funds to establish a community investment fund for when those banks leave a community; and strengthen the provision of Post Office services for rural and small communities across the UK.

As a liberal Conservative, I believe in the free market. However, many banks and financial institutions must shoulder a considerable burden of responsibility for the 2008 recession and their subsequent actions. They have endangered customers and taken money from the Government and they are now happily abandoning some of the most vulnerable communities they claim to support.

I think very few people in this House would argue that the digital revolution is not having an impact on the way people bank. However, it is the speed at which banks are withdrawing those services, the uneven distribution of the services that remain, and the incredibly weak substitutes that those banks are offering that is so completely unacceptable to our constituents. According to *Retail Banker International*, the number of bank branches in the UK dropped by 37% between 2007 and 2017. Meanwhile, in 2015, the Campaign for Community Banking Services produced an estimate of the number of “unbanked communities”, which stated that there were 840 communities with only one bank left, and 1,500 communities that had lost all access to their banks.

Since 2017, the Royal Bank of Scotland, for example, has announced the closure of 603 branches across the United Kingdom since 2017, 60 of which were in Scotland and three of which were in my constituency. Scant regard has been given to the impact on rural communities of closing these branches. In the case of Comrie and St Fillans in my constituency, the elderly are expected to make a 50-plus mile round trip, taking approximately two hours by bus—a journey that will hardly become more bearable as we head into the cold, winter months in Perthshire.

It is also the profile of the closures that grates. As the University of Nottingham identified, the “largest decline in branch numbers are characterised by...the least affluent third of the population bearing the brunt of two thirds of net closures”.

That analysis was further reinforced by the Reuters news agency, which, in its 2016 analysis of Office for National Statistics figures, found that more than 90% of the 600 closures between April 2015 and 2016

“were in areas where median household income was below the British average of £27,600”.

At a time when financial inclusion and the need for enhanced social mobility is more important than ever, banks are pulling up the ladders of financial advancement for our poorer communities.

Meanwhile, despite justifying the closures on the grounds of the movement in consumer behaviour from branch to digital, these retail banks are still opening branches—opening branches in the oh-so rural and disconnected wards of Chelsea, Canary Wharf and Clapham, areas with 99%, 96.2% and 99.9% superfast broadband connectivity respectively, versus the 85.5% in my constituency. They are serving the customers they want, not those who need their services.

In the meantime, these retail banks have come to Select Committees here in this House and told us that they have done enough to cater for our communities—providing mobile banks for the elderly in some of the coldest and most geographically challenging parts of the UK, driving banking online in constituencies that struggle with mobile signal, let alone superfast broadband, and providing single community bankers as a substitute for a full-service branch. It is simply not good enough, especially when many of these institutions took British taxpayers’ funding 10 years ago.

So, when the banks refuse to listen to their local customers and their elected representatives from across the House, I ask the House to do what it was intended for: to legislate and stand up for the rights of small communities and vulnerable individuals. The Bill I present today proposes to do three things. First, it would formalise the access to banking standard, making it a legal requirement for all banks. It would also strengthen the access to banking standard, adding a requirement for a “rural weighting” to be taken into consideration as part of the impact assessment that is included within the standard. These further considerations would be in addition to the criteria, and would take into account local geography and winter weather patterns; local public transport links, including frequency and routes; and broadband and mobile coverage—benchmarked against the national average

The Bill will also make it a requirement, if a bank branch is to be closed early, to state clearly what consultation has taken place with the local Post Office as an alternative provider of banking services. It will also include a requirement for an ATM and a deposit service to be maintained as a basic level of service in a town or village. That is not a criticism of the access to banking standard as it currently stands—indeed, quite the opposite; I believe it holds some excellent standards of best practice. It is simply that giving the standard a statutory footing would give it additional heft to hold the banks to account.

Secondly, the Bill will seek to establish a community fund of £100,000 for each branch closure of banks that have had Government funding, or have Government as a significant shareholder. It is widely recognised that bank branches not only provide vital services to local individuals, businesses and community groups, but often occupy key positions in a town or village, contributing to the vibrancy of the high street and providing an indicator of local economic dynamism. However, the banks’ movement towards cities and out of the settlements that they support creates a responsibility for them to provide ongoing services and support the communities and customers that they are abandoning.

[Luke Graham]

According to figures provided by the Library, bank branch closures dampen lending growth to small and medium enterprises by an average of 63% in those postcodes that lose a bank branch. The figure grows to 104% in postcode areas that lose their last bank in town, where there is an average of £1.6 million less lending as a result of that branch leaving town.

Therefore, £100,000 would not only help address the loss of business, but would go some way in supporting the local community, to be allocated to projects that help boost local high street activity and fund provisions for vulnerable people to access banking services, such as the extension of broadband to rural properties—which could of course be used in conjunction with the Government's gigabyte voucher scheme. The community funds follow a precedent established by many energy firms, where they create community funds and profit-share agreements as part of local deals to install onshore wind farms.

Thirdly and finally, the Bill will strengthen the provision of Post Office services, which are having to pick up the pieces of the banks' abandonment of our rural and small communities. Building on the Government's capital fund to modernise the Post Office, under the Bill a closing bank must, before leaving a small town or village, deliver a direct mail to all affected customers, detailing the alternative banking measures provided and what services will be available through the Post Office, funded by the UK Government, including solutions for more substantial cash deposits for small businesses.

Between 2010 and 2018, the Government invested over £2 billion in the post office network, allowing the Post Office to modernise its network and protect more than 3,000 "last shop in the village" community branches. The Post Office currently offers services on withdrawals, deposits, cheques and balance inquiries for both personal and business banking customers, meaning that it is

already well set up to deal with the increase in cash transactions when a decision is taken for a local bank branch to close. These services are provided for virtually all banks.

Although the Post Office does not currently have specific provisions for rural branches, it does recognise that bank branch closures will be felt more keenly in rural locations. Currently, the postmaster is remunerated in line with the value of cash deposits and withdrawals made. While the existing framework with the banks has an agreed fee for that, the fee often does not reflect the true cost in time taken to undertake that work—a point that will only be exacerbated in rural branches. Therefore, if banks are closing their branches in rural areas and post offices are picking up the pieces of bank branch closures, it would be only fair that the fee be adjusted to a more competitive rate, which allows for a weighting that more fairly reflects the costs for a rural post office branch, especially as the banks are seeing savings in the closing of branches. This would go a long way to secure further the post office network in such rural areas.

I am a fervent believer in the market economy, but in a time of great change, Government must ensure that no community is left behind. When banks and institutions have accepted public funding, they must accept that it comes with public responsibilities. We cannot have rural and small communities being abandoned; we cannot have a two-speed United Kingdom, so I commend the Bill to the House.

*Question put and agreed to.*

*Ordered.*

That Luke Graham, John Lamont, Kirstene Hair, Scott Mann, Kevin Hollinrake, Jamie Stone, Caroline Flint, Martin Whitfield, Pete Wishart, Stephen Gethins and Ben Lake present the Bill.

Luke Graham accordingly presented the Bill.

*Bill read the First time; to be read a second time on Friday 23 November, and to be printed (Bill 281).*

# Ways and Means

## Budget Resolutions

### INCOME TAX (CHARGE)

*Debate resumed (Order, 30 October).*

*Question again 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.

1.8 pm

**The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark):** The measures taken in the Budget position Britain as one of the nations on earth that can take advantage of the extraordinary opportunities that are transforming every economy, every trade and every industry in the world. During the past few years, much of the economic debate has centred on two big subjects. The first is how to repair the economy from the ravages of the financial crisis and the previous Labour Government, when borrowing soared to 10% of national income and nearly one in every four pounds of what the Government spent was borrowed. Through eight years of fiscal discipline, involving sacrifice by the British people but backed in three general elections, the public finances have now been transformed so that this year borrowing will be not 10% but 1.9% of national income, and our national debt will fall in every year ahead, falling over the period of the forecast by over 10% of our national income. Sound money is the foundation of a sound economy, and the Conservative party has once again restored it to Britain.

Secondly, much of the recent debate has of course been about Brexit, and the Chancellor was clear that we are looking to secure a good deal with the European Union in the weeks ahead, and that achieving that will provide a further boost to the economy as growth will be revised upwards and, with it, revenues, jobs and wages. Our modern industrial strategy, reinforced by measures in the Budget, can see us enhance the prosperity of every part of the United Kingdom.

**David Hanson (Delyn) (Lab):** The Secretary of State mentioned Brexit. Has he seen the Office for Budget Responsibility document that says that because of the uncertainty caused by his Government's handling of Brexit, the economy was between 2% and 2.5% smaller by mid-2018 than it would have been otherwise?

**Greg Clark:** If, as I hope and expect, we secure a good deal, those figures will be revised upwards, with consequent benefits right across the economy.

This is one of the most exciting times in the history of business, technology, science and commerce. From farming to retail, from manufacturing to the creative industries, the analysis of previously unimaginable quantities of data is changing lives. Doctors can diagnose diseases and treat them successfully even before we display any symptoms. As Members with interests in the automotive sector will acknowledge, there will be more change in the cars we drive in the 10 years ahead than since the invention of the internal combustion engine, as electric motors replace engines and navigation by satellite and sensor replace human control.

**Mr Jim Cunningham (Coventry South) (Lab):** As the Secretary of State knows, a lot of developments are taking place in the automobile industry, for example in Coventry on electric cars. He will also know that there are a lot of concerns in companies including Jaguar Land Rover in relation to the diesel tax on the one hand and Brexit on the other, and the Secretary of State has been very good in meeting us on those subjects.

**Greg Clark:** I am grateful to the hon. Gentleman for what he says. I am a regular visitor to the west midlands and to Coventry, and of course it is vital for one of our proudest and most successful industries that we should be able to build on that success by seizing the initiative in the years ahead. Every country in the world is moving to electric and autonomous vehicles and, including in the hon. Gentleman's constituency, we have some of the best brains on the planet in developing that new technology. I am absolutely determined that we will not do what happened in the past—we invent the technologies yet see them deployed elsewhere—but that instead we will manufacture these batteries and these vehicles, and that we will do so in every part of the country.

**Richard Burden (Birmingham, Northfield) (Lab) rose—**

**Albert Owen (Ynys Môn) (Lab) rose—**

**Greg Clark:** I will give way first to another west midlands MP, the hon. Member for Birmingham, Northfield (Richard Burden).

**Richard Burden:** Will the Secretary of State recognise the real concerns expressed to him by the automotive industry about the contradictory and confused signals coming out of Government in relation to fiscal policy and vehicle excise duty? Is there not something wrong when the system as it is at present penalises most the cars that are the cleanest and most CO<sub>2</sub> efficient? In the next few months, as he and his colleagues consult the industry on the introduction of the worldwide light vehicle test procedure, will he ensure that such perverse incentives do not continue into the next financial year?

**Greg Clark:** The hon. Gentleman makes an important point. The next generation of diesel engines are much more environmentally friendly and fuel-efficient than their predecessors, so to replace an existing old-style engine with a new one is a step in the right direction, and I have been very clear, as I think he knows, that diesel will have a role to play as we transition to a 100% emissions-free world. That is captured in the "Road to Zero" strategy on which we consulted the industry, and I know that he was involved in those discussions.

**Albert Owen:** The Secretary of State talked about not losing our ideas. He will know that there are great ideas now in the marine energy technology sector, but they are at an early stage and companies need help and support before they can manufacture in this country. Will he have a word with the Chancellor so that we can have proper ring-fenced finance for this industry, as we had for wind energy under a Labour Government and for solar? Those sectors are now successful, but marine energy is lagging behind.

**Greg Clark:** We have an expanding innovation budget and we will have more to say about that in the weeks ahead, because our industrial strategy recognises the

[Greg Clark]

importance of seizing the opportunities that we have in clean growth, in which we are a world leader in many cases. I want to do with clean growth just what we are doing in the automotive sector, and marine and tidal energy is an important part of that.

**Steve Double** (St Austell and Newquay) (Con): This is not just about manufacturing. If we are going to be successful, we are going to need the raw materials. As the Secretary of State will be aware, there is great potential in Cornwall for lithium mining, which will become ever more important with all the electric vehicles we are going to have. So does he share my enthusiasm for that potential, not just for the Cornish economy but in securing a domestic supply of this ever more important metal for the UK?

**Greg Clark:** My hon. Friend makes an excellent point, and it is his second chance in the space of an hour to talk about Cornwall's place in our industrial future, whether through lithium for batteries or as a centre for the launch of satellites and space vehicles. He makes his case passionately, and of course we want to make sure we can source the materials for this new technology. Cornwall is a good place for that.

On clean growth, last year was the first time since the industrial revolution, forged in this country, in which a day passed in Britain with no coal being used to provide our power supply. This revolution is gathering pace, and the most exciting thing about these transformations is that Britain—British businesses, British scientists, British designers, British inventors, British workers—can lead the world in every one of them. Of the satellites that gather and transmit information for cars to navigate, a quarter—[*Interruption.*] I am surprised that the hon. Member for Newcastle upon Tyne Central (Chi Onwurah), who I thought had an interest in science and technology, would not want to acknowledge the fact that a quarter of all the communications satellites orbiting the Earth today were built in Britain. We have over half the entire world market in the booming small satellite market. As my hon. Friend the Member for St Austell and Newquay (Steve Double) pointed out to the Prime Minister today, we will have the first satellite launch pad in Europe. We are not just manufacturing and inventing the technology, therefore; we will be the go-to place to launch it as well.

**Chris Ruane** (Vale of Clwyd) (Lab): The Secretary of State mentioned satellites. May I point out that 100% of the glass used in space technology and satellites around the globe is built in my constituency by Qioptiq?

**Greg Clark:** I did not know that, but I will add it to my repertoire of boasts about our national capability, and I am very pleased to learn it.

We are now the leading country not just in Europe but in the world for deploying offshore wind energy. The cost of production has fallen by half since 2015, and factories and jobs are springing up all around our coasts, from Belfast to Hull, from Machrihanish to the Isle of Wight. I see that my right hon. Friend the Member for Sevenoaks (Sir Michael Fallon) is present; he played an important role in setting the strategy that has resulted in that investment.

Also, having been the place where the genome was sequenced, we are the place where the secrets that it unlocked are being discovered and applied to the benefit of patients.

Our modern industrial strategy reinforces Britain's future as a place of competition, innovation and challenge where new ideas can take flight and where any incumbent can be challenged by the newest start-up. Monday's Budget pressed home the advantages and continued the progress we are making, including in addressing areas in which we need to improve. We have the biggest increase in public investment in research and development that this country has had in its history, with £1 billion more for the industrial strategy challenge fund.

**Vicky Ford** (Chelmsford) (Con): This morning, leaders in genomics met in the House of Commons. They are world leaders based in Britain, and they told us how cures and treatments are being delivered to patients in the NHS today. Does my right hon. Friend agree that it is this Government's investment in science and research that has led to us being a world leader in this area?

**Greg Clark:** I agree with my hon. Friend. I had a good meeting with the global chief executives of some of the most important life sciences companies around the world, in which it was readily acknowledged that the strength of our science base, and the visibility of our commitment to reinforce it, to invest in it and to apply it in manufacturing, is causing investment to be made here. The global pharma and life sciences company MSD has announced that its new research centre is going to be here in the UK, and I had the pleasure of opening the Novo Nordisk facility just a few months ago. It is evident that there is more to come. One of the benefits of a long-term strategy and commitment is that it can have short-term results because people invest on the back of it.

**Daniel Zeichner** (Cambridge) (Lab): The Secretary of State is talking positively about the future of the life sciences sector, but does he recall that just last week the head of the Association of the British Pharmaceutical Industry told the Select Committee on Exiting the European Union that without full membership of the European Medicines Agency, the future of the life sciences industry was not tenable in this country?

**Greg Clark:** I do not agree. I think that the future of the industry is strong in all scenarios. I regard our ability to participate in institutions and research networks as being of great importance, and that is why I hope that the deal that is being negotiated will succeed and that we will be able to move forward based on that confidence.

**Kevin Hollinrake** (Thirsk and Malton) (Con): Does my right hon. Friend welcome our ranking in the climate change performance index? The UK is fifth in that index, ahead of Finland, France and Germany.

**Greg Clark:** I do recognise that. The combination of a rigorous commitment to emissions reduction targets and an industrial strategy that makes it possible for us to glean the benefits of that is being admired by many countries around the world.

**Mr Simon Clarke** (Middlesbrough South and East Cleveland) (Con): Does my right hon. Friend agree that carbon capture, utilisation and storage has enormous potential? I had a meeting with the Carbon Capture and Storage Association this morning, in which it emphasised clearly that a development pathway in 2019 would have enormous benefits for our ability to deliver a net zero target by mid-century.

**Greg Clark:** I agree with my hon. Friend. That is a good example of how a strategy to integrate different strands of policy and work can be of great benefit to many of the industries on Teesside that he represents so well. We will have more to say about that.

Building on the success of the Faraday challenge, which aims to make Britain a place for the design and manufacture of new battery technologies, the Stephenson challenge referred to in the Budget will support innovation in electric motors. We are emphasising the “D” side of R&D: development as well as research. The “Made Smarter” review, which was championed and led by Juergen Maier, the chief executive of Siemens in this country, is spreading the take-up of new manufacturing technologies to businesses small and large. A national quantum computing centre will scale up quantum systems into workable machines. An industrial energy transformation fund will help many energy-intensive businesses to reduce their energy costs as they transition to a low carbon future, at the same time as making them more competitive.

New fellowships in artificial intelligence will attract the world’s best research talent to our shores, building on our success with institutions such as the Turing Institute. On infrastructure, the Budget ensures that the digital revolution will extend to all parts of the country, through new funding for new ways of deploying full fibre broadband in rural locations.

**John Howell** (Henley) (Con): The one thing that goes across all the areas that my right hon. Friend has been talking about is our investment in fusion technology. He might be about to say something about that, but I was really pleased to see £20 million being given to that area in the Budget. Will he confirm that the Euratom issue is now over, and that we can look forward to a successful fusion technology industry continuing in this country?

**Greg Clark:** I am grateful to my hon. Friend for his question, which gives me the chance to confirm that there will be £20 million of investment—and it is investment—in the centre of excellence in fusion research. It will pay dividends for many years to come. The discussions on the successor arrangements to Euratom have gone as I hoped they would—that is, cordially and expeditiously—and good progress has been made on all the issues under discussion. We have made the necessary agreements with most of our major counterparts.

On places, the Budget announced extra funding for the Strength in Places fund, supporting local collaborations between business and research across the UK. This was also an important Budget for Britain’s small businesses. Extending the start-up loans programme will help more aspiring entrepreneurs to take the plunge. Further funding for the knowledge transfer partnerships will place graduates in smaller firms across the United Kingdom. The fivefold increase in the annual investment allowance will help to

support firms as they invest and grow, and the £1.5 billion boost to small high street retailers, including £900 million in business rates relief, will support small businesses right across the country.

**Ellie Reeves** (Lewisham West and Penge) (Lab): The post office in our high street has been downgraded from a Crown post office and its services are being reduced. Our retailers in our high street are worried that this will mean fewer people coming into the community. What can the Minister say to reassure the retailers in our high street?

**Greg Clark:** One of our proudest achievements in Government has been to halt the destruction of the post office network—[*Interruption.*] It is substantially the same in numerical terms across the country as it was when we came into office. That is very important, for exactly the reason that the hon. Lady has set out. Post offices are crucial to many high streets and to the many small businesses that make use of their services.

We are in the early days of a period of spectacular opportunity for Britain. The truth is that none of the achievements that are within our grasp would be possible without the willingness of investors and entrepreneurs to take a risk in backing new ideas.

**Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): Notwithstanding the attractions of Cornwall, the vertical take-off site for the UK is going to be in my constituency, and I would be churlish if I did not express my thanks to Her Majesty’s Government for that decision. In Caithness, we have exactly the kind of skills and knowledge in Thurso and Dounreay that the Secretary of State is referring to. Will the Government ensure that those skills and that knowledge are transferred and used to boost the laudable scheme for the space launch in my constituency?

**Greg Clark:** I am glad to hear that from the hon. Gentleman. I had a great visit to his beautiful constituency and he is right to say that it has skills that can be deployed in the space industry now. It also has the opportunity, working with local colleges, to develop and grow the skills that the space industry will need if it is to create good, well-paid jobs there in the future. This decision is great news for the north of Scotland and for the whole of the United Kingdom.

**Stephen Kerr** (Stirling) (Con): I welcome the £200 million more that is to be given to the British Business Bank as part of the Budget, and also the announcement that a team from the bank is to be based in Scotland. The Secretary of State knows that I have an ongoing concern about the availability of quality patient capital, especially for small and medium-sized enterprises. What is his assessment of the current availability of that kind of capital?

**Greg Clark:** My hon. Friend highlights a piece of advocacy that he has made personally and as a member of the Business, Energy and Industrial Strategy Committee to ensure that we give growing businesses the ability to expand. That investment by and through the British Business Bank, particularly through its regional focus on Scotland, Wales and Northern Ireland, is very important. It should be close to the people in whom it is investing.

[Greg Clark]

By investing in new equipment and employing new people, it is businesses that create jobs, not the Government. Businesses provide people with the earnings they need to live good lives. After the family and education, it is businesses that provide most of us with the best opportunity to develop and make the most of our talents. It is businesses that pay for every single one of our public services, both directly and by employing people. Governments cannot do such things, but they can stand in the way. There is no successful society anywhere in the world that is not based on successful businesses.

However, at a time when we need national determination to invest in future business success through a long-term approach, we have an Opposition whose would-be Chancellor describes business as the “real enemy”. A month ago in Liverpool—a city that drove out business when the hard left last seized power, taking a generation to recover—a chilling warning was sounded to the world: “If you dare to invest in Britain, 10% of your value will be seized forever without compensation. You’ll be taxed at the highest level in the peacetime history of this country. You’ll be trapped in a nightmare economy where, at a stroke, the state goes a third of a trillion pounds more into debt. The would-be Government fully expect a run on the pound and capital flight.” Whatever uncertainty there is over Brexit, businesses tell me time and again that their biggest nightmare would be to have the Leader of the Opposition and the shadow Chancellor in Downing Street.

The choice could not be clearer. Britain has the chance to be in the vanguard of the most exciting developments in the history of global commerce and innovation, or to be shunned by investors as one of the most left-wing, anti-enterprise, ruinously indebted nations in the developed world. The aim of this project is to build a country in which our children and grandchildren can look forward with confidence to ever-stronger security and ever-growing opportunity. That choice has never been more vital for Britain, and I commend the Budget to the House.

1.31 pm

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): With the leave of the House, I shall speak instead of the shadow Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey), who has been taken ill and is disappointed not to be here today. We wish her a speedy recovery.

Every Opposition Member is disappointed by the Chancellor’s Budget, which can best be described as a “broken promises” Budget, despite the spin that the Secretary of State has tried to place on it. The Prime Minister promised the end of austerity, but the Chancellor was already backtracking within the first few minutes of his speech, simply saying that austerity is “coming to an end” and even that turned out not to be true. Austerity is certainly not over.

The truth is that the small giveaways in this Budget do not begin to even touch the sides of the cuts made since the Government took office. The £1.7 billion promised to universal credit is less than a third of the £7 billion of social security cuts still to come. School funding has been cut by 8%, but there was nothing to

fill the gap, and the Chancellor’s idea that schools should be grateful for a one-off payment of £400 million for “little extras” is insulting. Local councils still face a funding gap of £7.8 billion by 2025, and budgets will be cut by a further £1.3 billion next year. How is that the end of austerity? In fact, the Resolution Foundation has predicted that the Department for Business, Energy and Industrial Strategy will have suffered a real-terms per capita cut of over 50% by 2024.

**Dan Carden** (Liverpool, Walton) (Lab): The Secretary of State just mentioned Liverpool. Since 2010, Liverpool’s local authority budget has been cut by 64%. That is the problem that Liverpool is facing today.

**Chi Onwurah**: My hon. Friend makes an excellent point. All our constituents have had to suffer cuts to services, so for the Secretary of State to say that austerity is over is an insult to our intelligence.

**Mr Kevan Jones** (North Durham) (Lab): Like Liverpool, Durham County Council has lost nearly half its budget since 2010, and the cuts are still going on. This Budget contained no change to next year’s cuts in revenue support grant, so another £40 million will be taken out of the council’s budget.

**Chi Onwurah**: My hon. Friend is absolutely right. The services that make such a difference to our constituents’ daily lives face increased cuts, which is why our constituents know that austerity is not ending under this Government.

**Mr Simon Clarke**: Do the hon. Lady’s constituents want to pay billions more in tax or to have the nation weighed down by billions or even trillions more in borrowing?

**Chi Onwurah**: Our manifesto commitments show that 95% of the people of this country would not suffer any tax increase under a Labour Government. The Conservatives have managed to double our debt, while preaching austerity—doubling the debt because the economy did not grow significantly under the austerity ideology.

The Secretary of State may point to the increased spend on the NHS as an example of austerity ending, but the Health Foundation has branded it as simply not enough. Paul Johnson of the Institute for Fiscal Studies said yesterday that if we look at total spending—*[Interruption.]* The Secretary of State seems to suggest that health spending is not relevant to the economy, but it is the wellbeing of all our constituents that enables us to deliver an economy that works for everyone. Paul Johnson of the IFS said:

“If you look at total spending beyond the NHS it’s not really going anywhere... If you look at total spending as a fraction of national income, it’s not really going anywhere... This is not a dramatic change in the sense of undoing much of the cuts we’ve had over the last eight years.”

The Chancellor has squandered an opportunity to repair the damage done to our public services and our economy by his predecessor’s pursuit of a failed economic ideology. That ideology has created many of the problems holding back our economy today, from chronically low productivity and business investment to eye-watering levels of inequality in terms of both income and geography.

**Vicky Ford:** What was eye watering was the debt under the previous Labour Government. Does the hon. Lady not agree that growth of over 1.5% going hand in hand with public spending is a phenomenal achievement and is thanks to a balanced economy?

**Chi Onwurah:** The hon. Lady should finally recognise that the economic crisis—the crash—was caused by casino capitalism and reckless bankers, and the Conservative party chose to make the poorest people pay for it, and they continue to pay, given the slowest recovery since the Napoleonic era.

**Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): Does my hon. Friend agree that the economy was growing and national debt was below 50% when Labour left Government? Debt has grown to 85% under this Government because of their failed austerity programme. Indeed, when we built the NHS in 1948, debt was 250% of GDP, but it dropped because we invested in the economy.

**Chi Onwurah:** My hon. Friend is absolutely right. He could give a lesson in basic economics to most Conservative Members.

**Mr Kevan Jones:** Is it not a fact that debt was 43% of GDP when Labour came to office in 1997 and went down to 40% by 2006? That was down to good management of the economy before the crash. Through those years, the Conservative party was not just agreeing to our spending commitments, but asking for more expenditure, so we will have no lessons from the Tory party about reckless spending.

**Chi Onwurah:** Absolutely. The Conservative party initiated and promoted the reckless deregulation of our financial sector, which contributed significantly to the financial crisis, and then failed to manage the economy in such a way as to ensure sustained, significant growth. Under this Government, we have had half the historical level of growth.

The prognosis for growth is reflected in business investment, which is the lowest in the G7. We are the only major economy in which investment is falling. Our productivity is 15% lower than in other major economies, and it has not grown this slowly since the Napoleonic wars—there is an achievement. The average real wage growth since the second world war is 2.4% a year, but under the Conservatives, pay has fallen by 3% and the UK remains the most regionally unequal country in Europe.

We needed a big Budget to rebalance our economy and to provide the industrial strategy with the backing it needs to address the serious problems, but the Budget is deeply disappointing. We got an arbitrary announcement of more funding for the national productivity investment fund, but that will be in 2023, with no information on where the money will be allocated.

On research and development, we had another repackaging of money that was announced last year dressed up as additional funding when, in fact, of the £1.6 billion cited by the Government only £180 million, barely 10%, is new. Although we are pleased that there has been a marked increase in R&D expenditure, there is still no overarching strategy for its direction or for

how the Government intend to meet their target of spending 2.4% of GDP on R&D. We are a world leader in science, but, let us be clear, the Government's 2.4% target is average when it comes to R&D spend. Labour's target is 3% to become one of the leading nations in R&D spend.

What little information there was in the Budget again focused on sexy high-tech areas like nuclear fusion and quantum mechanics. As an engineer, I understand the desire of the Prime Minister and the Secretary of State to be associated with sexy technologies, and it is of course a vital part of our industrial strategy to support the industries of the future, but the Secretary of State has repeatedly failed to recognise that supporting our biggest sectors to improve their productivity through technology and investment is so important.

Retail is one of the biggest employers outside the public sector, and it is facing a unique crisis. Over 100,000 jobs have been lost in the past three years, and over 25,000 shops stand empty. High streets are the centre of communities, and they should and can continue to be vibrant spaces of which communities are proud, but to achieve that we need proactive policies from the Government, as Labour have been demanding for months.

The Secretary of State has been a bit cheeky and stolen a number of Labour's policies in this area. A register of empty properties, an adjustment to business rates and a high street taskforce were just some of the policy proposals in the conference speech of my hon. Friend the shadow Secretary of State. It would be churlish of me to demand our policies back, but that is where the consensus ends.

The Government's overall package, "Our Plan for the High Street," simply does not do enough. Business rates relief would not have saved a single House of Fraser or Debenhams—the vast majority of retail workers are employed in such shops. The British Retail Consortium has said that the Government

"must engage in more extensive business rates reform to help all retailers and their employees through this period of transformation."

The CBI responded:

"Smaller businesses will be relieved by the support on Business Rates... But larger retailers and manufactures—and the millions they employ across the UK—will continue to suffer needlessly until there is a full, in-depth review."

Yet the Budget contained no commitment to a review of business rates.

The future high streets fund is yet another fund allocated out of the national productivity investment fund, and there are no details of where the money will be targeted, who will be responsible for administering it or how quickly funds will be made available. The proposals for planning reform have missed the point. It seems that the Government's idea to save our high streets is to turn them into non-high streets. Frankly, much more work is needed if we are to protect our high streets and the millions of workers who rely on them.

**Dr Roberta Blackman-Woods** (City of Durham) (Lab): My hon. Friend is making an excellent point about the high street. Does she agree that it is ridiculous of the Chancellor to ask that local authorities develop a plan for their high streets, which is something we support, while he is taking away the means for them to be able to plan for their high streets by introducing yet more permitted development?

**Chi Onwurah:** My hon. Friend makes an excellent point. The attack on the capacity of local authorities, as well as on their powers, means that their ability to determine the future of our high streets is severely limited.

Retail is our biggest employment sector, and many of the job losses will be in towns and cities outside London and the south-east where good jobs are already hard to find. The precariousness of work in the retail sector is one symptom of the crisis blighting high streets across the UK.

There is very little in this Budget for workers, across all sectors, who after eight years of austerity are facing an uncertain future. Only yesterday, workers marched on Parliament to demand proper pay and terms and conditions. Many of those workers are outsourced to private providers and are on precarious, poorly paid contracts. Yet the Government continue to turn a blind eye, and there is absolutely nothing in the Budget to improve the lives of those marching.

**Stewart Malcolm McDonald** (Glasgow South) (SNP): The hon. Lady is completely right on that point. Does she agree that it is a disgrace that, after Ministers from the Department for Business, Energy and Industrial Strategy talked out my private Member's Bill to ban unpaid trial shifts, which are a blight on retail, the Government now refuse to meet anybody to talk about it, despite acknowledging that unpaid trial shifts are a major problem?

**Chi Onwurah:** The hon. Gentleman makes an excellent point, and I look forward to the Government's response.

**Vicky Ford:** Will the hon. Lady give way?

**Chi Onwurah:** I will now make some progress, as I am sure Mr Speaker will not indulge me much longer.

I am not sure what is needed for the Conservative Government to see that their economic policies are causing more harm than good. Rising prices and stagnating wages mean that people are now £800 a year worse off than they were a decade ago. Just under half a million young people are still unemployed, and one in nine are in insecure agency work, on a zero-hours contract or in low-paid self-employment. That is the everyday reality for millions of working people—the people behind the supposed record levels of employment bandied about by the Government as the marker of a successful labour market.

The truth is that there are real issues in our labour market—rising insecurity, stagnating wages and a productivity crisis—so it is disappointing to see so little to address them in the Budget. There are increases to the minimum wage or, as the Government have rebranded it, the national living wage, but it is still significantly below the rate set for the real living wage. One in five people earn less than the wage they need to get by, according to the Living Wage Foundation, and the increases will not change that. In addition, unlike the Government's minimum wage, the real living wage is based on a review of the evidence on what is happening to people's living standards right now.

The Government's failure to immediately reform the IR35 rules, which govern how much tax those working as contractors pay, shows that they are refusing to take tax avoidance seriously. By pushing back those reforms

to 2020, the Government are denying themselves much-needed revenue, which could be used to properly fund our schools and the NHS, or to pay workers a decent wage. How many more people need to take to the streets protesting about their precarious working conditions? How bad do things have to get before the Government finally take action?

We have heard lots of warm words about defence spending, but they are cold comfort to many of the workers in the shipbuilding industry, such as at Cammell Laird and Appledore, who are facing real uncertainty as to whether their jobs are safe. It is disappointing that the Government failed to announce any support for our manufacturing or shipbuilding industries, which are vital to our long-term economic success.

In the same month that the Intergovernmental Panel on Climate Change, the leading authority on climate change, set out the devastating consequences for human civilisation of a business-as-usual approach and the scale of ambition needed to avoid dangerous climate change, what did the Chancellor do? He did not even mention climate change, and the Red Book was little better. The Chancellor left the carbon price support unchanged and said that the Government would seek to reduce the rate if the total carbon price remains high—that is as clear as mud. The Chancellor tinkered at the edges of the climate change levy, a policy introduced by Labour but undermined by his predecessor, George Osborne, who removed exemptions for renewable energy. The Government did announce a £315 million industrial energy transformation fund to support businesses to increase their energy-efficiency. That sounds good, but when we realise that it will be paid for entirely by money saved from scrapping capital allowances for energy and water efficiency, which enabled businesses to claim back the costs of investments, we see that it is really just rearranging the furniture.

What else was there? As has been said, the Government announced £20 million for nuclear fusion. I do not know whether the Chancellor's understanding of nuclear fusion is as limited as his understanding of blockchain, but these figures should illustrate the challenge here: £20 million is 330 times smaller than the €6.6 billion the EU will contribute to one nuclear fusion experimental facility in France—this is not even a drop in the nuclear ocean. Of renewable energy—wind, solar and tidal—not a single mention was made, at a time when electricity and gas wholesale prices are rising, and we enter another winter with household bills surging and millions facing fuel poverty. There was £10 million for urban tree planting and a commitment to purchase £50 million-worth of carbon credits from tree planting, although it is unclear whether that is new funding. The lack of action on climate mitigations is disappointing.

**John Howell:** I think the hon. Lady's figures on fusion technology are completely wrong, as she is not comparing like with like. The project in the south of France is a commercial project to make fusion possible at a commercial scale. That means that the projects continuing in the UK do not have to be at that scale, and the £20 million is an enormous contribution to what they are trying to do.

**Chi Onwurah:** I thank the hon. Gentleman for his intervention, but in fact he illustrates the scale of the problem. Nuclear fusion requires significant investment



in order to commercialise it, as he would agree. The level of investment that this Government are making in it is entirely inadequate to meet the challenge and in respect of the contribution fusion can make to our economic and climate future.

Labour is serious about achieving a net zero emissions economy before 2050. We are developing policies to dramatically decarbonise energy and insulate 4 million homes in our first term, as part of our green jobs revolution. We believe in the power of people, the power of leadership and the power of government to address what are frankly existential challenges. After eight years of austerity and counting, it is evident that the Tories have given up on this. This Budget shows the Tories giving up on the planet, too. They lack both ideas and the courage to do what is needed. They must step aside.

1.55 pm

**Mr David Davis** (Haltemprice and Howden) (Con): It is a pleasure to follow the hon. Member for Newcastle upon Tyne Central (Chi Onwurah), a fellow scientist, albeit some of her evidence could have perhaps benefited from a peer review. May I ask her, on behalf of the whole House, to pass on our best wishes to the Secretary of State for a speedy recovery—

**Vicky Ford**: Shadow Secretary of State—

**Mr Davis**: Shadow Secretary of State, yes. I do not think my right hon. Friend the Secretary of State requires any help in recovery. He is a formidable champion for business, as I know, sometimes to my cost, from my old job. He has been a brilliant exponent and driver of the enabling of the modernisation of the British industrial estate. I wish to pick up on one point made by the hon. Lady. She talked about the treatment of employees, the so-called “gig economy” and so on. My right hon. Friend was the one who brought us the Matthew Taylor report, with all of its innovative ideas to improve the protection of employees in our country and at the same time not destroy the jobs that they enjoy. That is pretty formidable in its own right, so I commend my right hon. Friend for that, although I do not intend to take us down that route today.

I have only three quick points to make. I shall be brisk and I probably will not take any interventions. Traditionally, the Budget is dominated by the technical metrics of growth rates, inflation rates, taxation, deficits, debt levels and spending. All those things are incredibly important issues. Indeed, one reason why it would be a disaster to have a Labour Government is that they would ignore all those things and deliver us into national bankruptcy, with the economic crisis and the social crisis that would follow. What is important is to understand that a Conservative Government do take all those things seriously, as they are the box in which we deliver the Budget. The Budget is about improving people’s lives and delivering the best outcome for our nation. As Conservatives, we believe in a narrative of a property owning democracy encompassing opportunity, personal responsibility, economic freedom, fairness and social mobility. For most of my colleagues, our view of the right sort of society for us is one where there is no limit to which anyone might rise and a limit beneath which no person may fall.

With that, I want to measure this Budget against the aspirations of our citizens: does it meet their aspirations to have a good university education; to get a job and build a meaningful career; to buy a home and raise a family? Those are aspirations that everyone shares, across the House and across the nation—we share them with all our constituents. Everyone should have the opportunity to pursue them.

All political parties talk a good story when they are trying to persuade people that they are on their side, but it is what Governments do, not what they say, that matters to the people. Nowhere is that more true than in the Budget; the language of public finance is the language of priorities, which is why this is so important. Starting with the definition of a decent society, both the ladder of opportunity and the social safety net are determined for the least well-off by the benefits system—by the welfare system. That is the key that underpins the opportunities and security for all the least well-off.

For decades, the British welfare system has been a nightmare of complexity in which hard work was in effect penalised, sometimes to the point of it being not worth while at all from an economic point of view, although work is always worth while from a moral point of view. The coalition Government started the necessary reform by introducing the universal credit system. Much has been said about it—it has been controversial—but the whole system is a significant step in the right direction.

The tax credits and benefits system introduced by Gordon Brown all too often trapped people in a cycle of dependency, which was not unforeseeable. I was the Chairman of the Public Accounts Committee when he introduced that system, which he copied from a system in America that was already failing, and it was clear what was going to happen. Many people who made the effort to go out and find work faced an effective tax and withdrawal rate of up to 95%.

A benefit system should seek to aid people’s return to work, not trap them in unemployment. Universal credit seeks to correct that problem by helping more people into work and enabling them to keep more of what they earn, but it absolutely has to be properly funded. I therefore welcome the most important part of the Chancellor’s Budget: his announcement on universal credit. We must make sure that those in most need, including single parents—those who know me will know that single parents are of particular importance to me—couples without children, and those who should not be economically dependent on their partners, are not left wanting by subsequent changes. Universal credit will need further funding beyond what is promised in the Budget, and I shall certainly watch out for that. Nevertheless, the Chancellor has taken excellent action, for which I commend him.

The next most important way to help people make the most of their lives is through education and training, which the Secretary of State has been a great exponent of in his role. However, today, the cost of getting a university education, plus the confusion around financing, act as a disincentive to getting one. I am afraid the policy on student loans has failed. Almost half the loans will never be repaid. They are a falsehood in the national accounts. Crucially, the loans system has failed to deliver a market in university education—[*Interruption.*] The hon. Member for Stalybridge and Hyde (Jonathan

[Mr David Davis]

Reynolds) should not be smiling: Labour basically invented the system and created the problems that I am about to talk about.

The loans system has failed to deliver a market in university education, with the least valuable courses at the worst universities costing precisely the same as the most valuable course at the most prestigious university. That is not a market. At least some of the money has gone not into world-class research but into overpaying some pretty second-rate vice-chancellors. The whole system needs to be revamped and turned into a proper graduate-contribution system with honest accounting, clear rules and no retrospective changes to the interest rates or other terms. In the long run, we should move away from loans all together; that would have a liberating psychological impact on young people.

**Mr Kevan Jones:** Will the right hon. Gentleman give way?

**Mr Davis:** No, I will not give way on this issue.

**Mr Jones:** I wonder why.

**Mr Davis:** I will tell the right hon. Gentleman why I will not give way: because he was part of the Government who invented the system that created this crisis in the first place.

We need to do more on housing, which is an issue of utmost importance. Home ownership levels are plummeting, and many young people believe that they will never have a home to call their own. As a party of aspiration, we must do better. Help to Buy is failing: it is not increasing the supply of housing; rather, it is increasing the cost of new homes by 15% and inflating developers' bonuses. It should be scrapped immediately. We need to increase the supply of new homes dramatically and to make those homes attractive and affordable. Perhaps the best idea that is being mooted—forgive me if I go off piste for a second, Mr Speaker—is that of garden towns, garden cities and garden villages. Garden villages of between 1,500 and 5,000 houses will be big enough to justify schools, shopping centres, buses and so on.

The landowners where such developments are created make spectacular windfall gains—in the south of England, they make as much as £1 million an acre—which is where the Treasury comes in. There is no reason why half of such gains should not be funnelled in a way that reduces the final price of the house. That way, when we create affordable housing, it will be proper affordable housing, of a decent size—it will not be a little box, a progressively shrinking option. That is how we will get the affordable houses that we need. However we do it, we in the Conservative party have to grasp this problem and solve it. This party has for more than 50 years been the party of the home owning democracy. We need once more to make home ownership available to a whole new generation.

Since the Gordon Brown crash—I was going to call it the 2008 crash—we have heard a lot about the threats to capitalism, which are of course real in, for example, the personality of the Leader of the Opposition. The simple truth is that free markets, free trade, property ownership and social mobility have delivered improvements to the lives of billions around the world. Capitalism has taken

people not just in Britain but around the world out of poverty and given them a future. The best defence of capitalism in this country is to deliver those benefits to a new generation of young people. Britain is an aspirational country and we are an aspirational party; we need to deliver on that.

The first step is the economy's fantastic jobs performance. The Opposition never like to speak about the fact that we have the lowest unemployment in my adult lifetime and the highest employment ever in this country. That is a remarkable achievement given the mess we were given when we came into office. The right hon. Member for North Durham (Mr Jones) intervened on the shadow Minister earlier to say that when Labour came into power in '97, the debt was such and such, and so on. When Labour came into power in '97, the chief economic adviser to the then Prime Minister Tony Blair said publicly, "This is the best economy any Government have ever inherited"—

**Mr Kevan Jones** *rose*—

**Mr Davis:** No, I am not giving way; I am coming to the end of my speech.

We have never, ever inherited such an economy from any Labour Government in history, and there is a good reason why that is the case.

**Mr Jones:** On a point of order, Mr Speaker. I do not want to interrupt the right hon. Gentleman's leadership speech, but this is supposed to be a debate. He referred to something that I said earlier in the debate and would not let me come back on it. Is that in order?

**Mr Speaker:** I do not think the Chair is the arbiter of normality. Sometimes the Member on his or her feet gives way, and other times not. The right hon. Gentleman is experienced enough in this House to know that. He has registered his mild irritation, but the right hon. Member for Haltemprice and Howden (Mr Davis) has adhered to the rules today, as on previous occasions.

**Mr Davis:** Thank you, Mr Speaker. That attempt at an intervention came one sentence from the end of my speech, to which I shall simply add that it seems to me that some points of order are as bogus as the facts to which the right hon. Member for North Durham claims to aspire.

Throughout the past 50 years, Governments of all parties have made enormous claims for their intentions on social mobility, but in delivery they have fallen short on nearly all those claims. This shall be a Government who deliver on social mobility and on the real value of a capitalist economy. On that basis, I commend the Budget to the House.

2.7 pm

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Prime Minister promised to end austerity. The Chancellor said it is "coming to an end." The Budget proved simply to be yet another rebranding exercise. The Tories are good at making promises, but they are bad at keeping them. The Resolution Foundation pointed out that, to end all spending cuts through all Departments by 2022-23, the Chancellor would need to spend £31 billion. Ten years after the financial crash,

nothing has changed. The Chancellor continues to balance the books on the backs of the poorest in society. And that is before we even consider the impact of Brexit, which, incidentally, merited only a passing mention in the Chancellor's speech.

Household budgets face tougher times as Brexit goes from holding the economy in its teeth to biting down and spitting out those who can afford it the least. That is not an outcome that we want to see for people in any of the UK's nations, but Scotland actively voted to avoid it. That is why we in the Scottish National party believe that the power over the future of the people of Scotland should be in their hands, not in the hands of a Government who are wilfully ignoring the wishes of the Parliament in Scotland.

The way in which the Government are playing their hand is making the case for independence for Scotland for us, but let us see whether they can at least do a few small things to make life a bit more bearable. We welcome the freeze on whisky duty, a perennial call from those on the SNP Benches, but the Government must now commit to ruling out the use of geographical indicators as a bargaining chip with the EU. Scotch whisky must remain fully recognised everywhere.

With the costs of the movement of goods and people facing increases owing to Brexit, the UK Government must work with the Scottish Government to fix the issues over the highlands and islands exemption and allow the transfer of air passenger discount to Scotland in a workable format. Incidentally, the Chancellor's Budget contained a veiled threat to allow for a dangerous increase in that tax, which would further hit Scottish travellers. The UK Government must also ensure that EU funding will continue until the end of the current multiannual financial framework and that Scotland must not be worse off in any respect of those funding allocations. Crucially, they must respect devolution.

Freezing fuel duty is also to be welcomed, but what is not welcome is the freezing endured, especially by those on low incomes in the highlands and islands, who still get a red raw deal through higher electricity unit charges and unregulated off-grid gas and heating oil. When will they get fairness? When will they see the change that they deserve and need?

Despite attempts to rebrand the message—the Chancellor now calls austerity “financial discipline”—after a decade, Tory austerity is far from over. Instead it continues to be more dogma and neglect. In contrast, the Scottish Government are using their limited powers to build an economy of the future with measures to unlock innovation and drive increased productivity, and they would do even more if they had the power to do so.

Scotland's 2019-20 resource block grant is down nearly 7%, £2 billion in real terms, compared with the 2010-11 figure. That is even after the additional funding announced. Even the £602 million headline increase fails to mention the £53 million of existing budget.

**Douglas Ross** (Moray) (Con) *rose*—

**Drew Hendry:** I will allow an intervention in a while, but I must make some progress just now.

We have yet to see the refund of joint VAT due to the Scottish Fire and Rescue Service and Police Scotland. Where was the convergence uplift due to the Scottish

farmers? Some £160 million that should be spent in Scotland was simply spirited away by Ministers for their own projects.

**Douglas Ross:** Could I go back to the hon. Gentleman's point about the block grant? Does he agree that, between this year and next, the block grant for Scotland is up £866 million in cash terms and up £381 million in real terms? How is that a cut?

**Drew Hendry:** What the hon. Gentleman fails to understand is that, if you put £1 in but, because of the rising cost, take £2 out, that is a cut effectively. What we have seen is a real-terms cut—[*Interruption.*] I have to educate him. That is what a real-terms cut means. As he has raised that issue, let us highlight other real-term and actual cuts that Scotland has endured: £400 million, due through the previous regulatory agreement for railways; the city deals are £387 million short of the match funding that the Scottish Government put in; £53 million is missing for the NHS from this Budget; and the VAT for fire and rescue services and for Police Scotland, at £175 million.

**Patricia Gibson** (North Ayrshire and Arran) (SNP): My hon. Friend has rightly pointed out that £175 million has not been refunded to Scotland's emergency services through VAT. Does he agree that it is bewildering that this money has not been refunded given that—[*Interruption.*] The hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) is chuntering from a sedentary position, “You were told.” A special dispensation on paying VAT was given to academy schools in England, but not to Scotland's emergency services.

**Drew Hendry:** My hon. Friend makes an excellent point.

**Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): When the figures for what Scotland has lost are totalled up, agriculture VAT comes to £1.1 billion; and there is the £1.9 billion cut from 2010. That is £3 billion in total. When we look over the Irish sea, we see Ireland with its 7% growth in the last year alone. Ireland's economy has grown by £18 billion. The Irish are getting £4 billion more in tax. What is the difference between Scotland and Ireland? Ireland, which is independent, is £7 billion ahead of Scotland with the Tories in Westminster. If that is not a wake-up call, what is?

**Drew Hendry:** I am grateful to my hon. Friend for making that point. He points out exactly where the powers lie to make a real difference for people.

**Alison Thewliss** (Glasgow Central) (SNP) *rose*—

**Drew Hendry:** I will give way one last time.

**Alison Thewliss:** Is my hon. Friend as curious as I am about the political influence on this Budget? Belfast has received £2 million from this Government for a fire fund, whereas Sauchiehall Street, which has suffered two recent fires, has not had a single penny from this Chancellor.

**Drew Hendry:** My hon. Friend makes the point succinctly about the way Scotland is treated on these matters and I thank her for that intervention.

This Government's negligent actions have already drained our economy of much-needed, vital investment. The Chancellor failed to take the steps to support the economy and businesses. The Fraser of Allander Institute

[Drew Hendry]

estimates that a hard Brexit could cost 80,000 jobs in Scotland between 2020 and 2030. Mark Carney told MPs in this building that Brexit has already cost households—families—up to £900 each. Again, there was no mention of that in the Budget. And we know why. The UK Government's own figures have shown that there simply is no good Brexit, with a substantial hit to the economy, as a best-case scenario, running to a whopping 8% reduction in GDP. In context, that is a cost of £2,300 per person, per year by 2030. Even if the UK signs a free trade deal with the EU, Scotland's GDP will be hit to the tune of £1,610 per person every year until 2030.

There was also a failure to support the oil and gas sector in the Budget. The UK Government have now taken more than £350 billion-worth of North sea revenues, and that is excluding, by the way, the supply chain, corporation, employment or business taxes, and we are supposed to cheer when the UK Government do nothing in their Budget for that industry, other than to float the idea of a tax increase and then say they are not imposing it, along with some vague verbal support for decommissioning. Where is the funding from the Secretary of State? Why has he not been arguing for the sector deal for oil and gas?

The Office for Budget Responsibility is stating that the outlook for oil and gas is showing a rise from £1.2 billion to £2.2 billion per year on average. Production statistics are up on 2014-15 levels by more than 23% and oil and gas sales values are up by nearly 20%. New fields such as Capercaillie, Achmelvich and Nexen's phase two in the Buzzard Field underline the remaining potential. A study at Aberdeen University suggests an extra 4 billion barrels of oil from offshore, on top of 2017 estimates, yet the sector is still ignored. [Interruption.] Some Conservative Members are chuntering that the Greens will not like that. Let me tell them that, unlike the Chancellor's passing mention or the green UK statement that came out, I intend to mention climate change in my speech. That neatly leads me on to say that the Government, having ignored the oil and gas sector, a sector vital for the coming decades—[Interruption.] I am going to make some progress. The sector is vital in the coming decades while we transfer to low and zero carbon. It is an utter disgrace. A sector deal must be brought forward now. It should include national hubs for underwater innovation, transformational technology and decommissioning.

Where was the UK Government's manifesto pledge that committed them to working collaboratively with the Scottish Government for an ultra-deep water port for decommissioning? Oil and gas has always been a poorly discharged duty by successive Westminster Governments, complete with ministerial pinball and 20 energy Ministers in 20 years. This Government, however, are also falling asleep over their duties to climate change—

Several hon. Members *rose*—

**Drew Hendry:** I shall let Members in, but I want to make some progress.

We need, and will need, oil and gas for our future heat while we transition to low and zero-carbon fuels, but meeting the Paris climate change targets means real

investment in the technology to manage that switch. Anyone with an ounce of sense knows that carbon capture and storage is a vital component to achieve targets that are so important to us all.

The Secretary of State said earlier that he would not let the lead on technology slip, but where was that when the carbon capture and storage programme at Peterhead was abandoned? We had the opportunity to become world leaders, to demonstrate technological advancement and, crucially, to get a head start in the transition and to have marketable expertise and technology to export. Instead, three years ago, a £1 billion rug was pulled from underneath the industry, its companies and the people of Scotland. It was nothing short of betrayal.

Now the UK Government are back talking up carbon capture and storage, three years later. However, they say that they can catch up with only 10% of the original budget—which, incidentally, is the same amount that they squandered on the preparation work for Peterhead. You could not make this up. It is nothing more than lip service. With a will, however, the Government could sort this. There are still opportunities, including at Grangemouth, but the longer the wait, the more difficult and expensive it becomes, especially to man-made climate change. The Government must now fess up, about turn and push the pedal to the floor, properly fund the technology and at long last live up to the Paris commitments.

**Angus Brendan MacNeil:** Does my hon. Friend get as frustrated as I do when he listens to the litany of failures from Westminster and realises the sums of money involved? Compare that with the sums of money following the growth in the Irish economy in the last year—£4 billion in extra tax revenue. They can do so much more with the powers of independence. We are shackled by the crew down here in Westminster, whose vision and imagination are so limited. All that they can do is cut and continue austerity. It is the same record at the same time—[Interruption.] Conservative Members should behave themselves, please.

**Drew Hendry:** I thank my colleague for making that point.

On the subject of new technologies, where was the serious investment in renewables research and development? According to Government answers, that sits at a paltry £51 million, which is a failure to commit to evolving technologies such as tidal, in which Scotland is a global leader. The Scottish Government have led the way in supporting tidal, and now the UK Government must work with them to explore where differentiation from the CfD—contracts for difference—process could be achieved to support this through to commercialisation.

Several hon. Members *rose*—

**Drew Hendry:** I shall give way in a moment, because I did promise to, but it will have to be very brief. I want to come to a conclusion soon.

The solar industry has been battered by this Government, and now must be the time to reverse the plans to end the solar power export tariff for solar homes, small businesses and community energy projects. Ending that would be pernicious. The Government appear willing to pour unlimited amounts of public money into only one policy, however: they are obsessed with new nuclear.

Reports suggest that the Tory Government will pump £6 billion-worth of equity and about £9 billion of debt support into the failing Wyfla project, where project costs are trailed at about £20 billion. Both that and the huge white elephant that is Hinckley C have strike prices significantly higher than those for offshore wind. The National Audit Office and the Public Accounts Committee warnings about value for money must be acknowledged. The public will be paying for those projects for decades to come, through higher bills. There was nothing in this Budget for the victims of green deal mis-selling.

**Kevin Hollinrake:** Will the hon. Gentleman give way?

**Drew Hendry:** Very briefly, if the hon. Gentleman does not mind.

**Kevin Hollinrake:** The hon. Gentleman is keen to ask this Government what they are going to do, but what are his Government going to do about the historically slow growth rates in Scotland? Scotland is still growing 30% more slowly than the rest of the UK. Why is he not asking his own Government to deal with those issues?

**Drew Hendry:** The hon. Gentleman says nothing about productivity levels in Scotland, which continually outstrip those of the UK.

The Institute of Directors and the SNP made a demand for a small and medium-sized enterprises support line to help them deal with Brexit. The Chancellor also failed to deliver that. Meanwhile, in Scotland, the Scottish Government help business with a £96 million investment to deliver the most attractive business rates package throughout the nations of the UK. Already, more than 100,000 businesses in Scotland pay no rates at all through the small business bonus scheme. Significantly, the Scottish Government are setting aside resources of £340 million to provide capitalisation for the Scottish national investment bank.

I wanted to talk about much more, but I shall cut a lot out to aid the process today. Before I finish, however, I want to cover the fair treatment of workers. Westminster has failed to end wage discrimination and give young people the real living wage. Young people are used to being short-changed by this Tory Government, as are those whose rights are infringed by the gig economy and unpaid work trials. In the SNP, we believe that a fair day's work should result in a fair day's pay.

Contrast the Chancellor's failure with the success of the Scottish Government's real living wage accreditation scheme, which ensures that more than 1,000 employers now pay the real living wage and that, as a result, nearly 82% of workers in Scotland are earning it—the highest level in the nations of the UK. Imagine what more we could do if we had the power in Scotland to do so. In the meantime, the UK Government must stop ducking their responsibilities on pay. These measures are not only about doing the right and fair thing; they aid the economy by increasing productivity and boosting revenue through tax takes to spend on services. If the Government will not live up to their responsibilities for fair pay, fair conditions and young people, we should have the power in Scotland to do so ourselves.

I shall end on two things. First, in city deals around Scotland, the UK Government have fallen nearly £400 million short of the Scottish Government's

investment—so much for the 50:50 partnership. The Chancellor came up £50 million short on the Tay region deal and failed to confirm 100% coverage of Scotland, as promised by the Chief Secretary to the Treasury—good at making promises, bad at keeping them. But of course that is nothing new. We saw that in the highlands with the Inverness and Highland city region deal, where the UK Government put in only about 20% of the funding—their £53 million dwarfed by the Scottish Government's £135 million.

Healthy economies need healthy communities. This week's Budget had one massive failure. That was the failure to deal effectively with the problem that is universal credit. It should have been halted, fixed and properly funded. Instead, like everything else, it only got lip service. After five and a half years, since the pilot to full roll-out in the highlands, we have seen the misery that people have had to endure. Despite all the begging, cajoling, demanding and asking of Government to listen, they failed to do so. They have made promises to people that they were unwilling to keep. It is about time that the Government took responsibility and sorted that out.

**Mr Speaker:** I call Sir Michael Fallon, who is not subject to a formal time limit, but I know that his natural courtesy will make it quite inconceivable that he would wish to address the House for longer than seven minutes.

2.27 pm

**Sir Michael Fallon (Sevenoaks) (Con):** I am most grateful, Mr Speaker. I remind the House of the business interests declared in the register.

Unlike the previous speaker, the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), I commend the Budget and I look forward to supporting it in the Lobby tomorrow. The Chancellor of course had the advantage of rising tax receipts and lower borrowing, and he has made his choices, but they have been good choices. I look forward to supporting them.

In the end, this Budget should be judged on how it meets some of the bigger challenges: on how it strengthens the resilience of our economy as quantitative easing comes to an end and capital might seek a more profitable home in the United States; on how it helps to narrow our still substantial productivity gap with France and Germany, as well as the United States—I commend the Secretary of State for Business, Energy and Industrial Strategy in particular for securing a massive increase in the investment allowance, which really will help our firms to start to narrow that gap; and on how it makes us properly match-fit for Brexit. I applaud the additional resources being given to UK Export Finance and the very significant increase in expenditure on research and development. It is in those areas that we are going to have to grow our capability if we are to succeed as a first-class global economy.

I would like to pick out three particular areas that I think require more attention. The first is infrastructure. Again, I was delighted to see a really significant increase in the roads budget. However, the recent proposal to take an entire motorway in my constituency and turn it into a potential lorry park illustrates just how fragile our roads system is if it can choke up so easily.

[*Sir Michael Fallon*]

It is noteworthy that the three most important wealth-creating regions of our country—the south-east, London and East Anglia—are divided by the Thames. There are 17 bridges in London west of Tower Bridge; there are only two road crossings east of it. Every day, my constituents and thousands of others in Kent and in Essex, on both sides of London, are queuing to get over the River Thames, at untold cost to our economy and our business. That is because successive Governments have been ludicrously slow in giving us the infrastructure we need. It took 70 years to add a second tunnel at Blackwall and 28 years to add a bridge to the Dartford tunnel, and it now looks like taking 18 years to build the third lower Thames crossing. I urge my right hon. Friends to look again at the infrastructure bureaucracy to see how we can speed up the development of the critical infrastructure that we are going to need in future—the airports, the ports and the river crossings that will enable us to make a success of Brexit.

Secondly, there is investment in our schools and skills. I fully understand that education spending for the next spending period will not be determined until the spring, but I think my right hon. Friends are already aware that school budgets are struggling to cope at the moment, with rising pupil numbers and the huge increase in the number of pupils with additional needs, meaning that education authorities such as Kent County Council are continuing to have to divert resources from the main schools funding block to deal with those particular pupils. I do not think I am alone in this House in urging my right hon. Friends to look again at the schools budget, not just for 2021 but for the new financial year for schools beginning in September.

My final point is on savings. The current savings ratio, at 4.9% of disposable income, is the lowest for 50 years. It has been falling year after year and is now the lowest since records began. Coupled with some of the steep recent increases in consumer debt, that should set alarm bells ringing. I am quite struck by the number of constituents I see in my surgeries who are living on the edge, if I can put it like that—who have nothing to fall back on when they hit harder times. We have to return to that in future Budgets.

One of the more painless ways of boosting savings, of course, is to encourage share ownership—not through the mandatory, confiscatory plan put forward by the shadow Chancellor, but by simplifying and incentivising the current share schemes. There are share incentive plans at the moment, but some of them are 40 pages long. There are employee ownership trusts, but they do not apply to companies owned by private equity. We need to look again at all this to simplify it so that it is easier for employees to have a genuine stake in their firms. We must reduce the holding period and improve the tax treatment so that we have genuine share ownership.

With Brexit looming, one might have expected a Budget that was a holding operation. This was much more than a holding operation; it was a very skilful set of choices. But outside the European Union, I believe, we are going to need even more ambition as a Government. We will need further, radical steps to improve our tax competitiveness, to improve our export record, to drive up our productivity, to modernise our infrastructure,

and to improve the quality and quantity of our spending on skills and on schools. That said, I commend this Budget.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. As colleagues will see, a large number of Members want to contribute to this debate, so I am imposing a five-minute time limit on speeches.

2.34 pm

**David Hanson (Delyn) (Lab):** This Budget has shown that the Government's contention that austerity is over is not correct. Austerity is not over, and it runs deep throughout this Budget.

I want to start in the local sense, for me, with the north Wales growth deal. For the past three years, the Government have promised a growth deal for north Wales, and that has been put in the Red Book, but no money has been delivered. This Budget has delivered a figure of £120 million for the north Wales growth deal. I give that a cautious welcome initially. It will help with the purchase of land and the development of business; with transport and with infrastructure; and with the digital activity—connectivity in terms of a range of issues—that we want to see in north Wales.

Despite that cautious welcome, there are still some challenges with the growth deal. North Wales remains underwhelmed at the amount of resource that is being put towards the deal. On receiving the announcement, the Assembly's Finance Secretary, Mark Drakeford, said that it falls

“some way short of what we and the people of north Wales have been expecting and working hard towards”.

A business leader in north Wales, Askar Sheibani, who is the chairman of the Deeside business forum and the managing director of a major technical company, has said that this deal will leave the people of north Wales angry:

“We were expecting a lot more than that”.

The work that has been done by my hon. Friend the Member for Wrexham (Ian C. Lucas), by Assembly Members, by local government and by business means that we should have received, potentially, £340 million. There have been meetings with the Under-Secretary of State for Wales, the hon. Member for Eastleigh (Mims Davies); I can see Ministers on the Treasury Bench looking closely at what has been said.

We want to know, from a north Wales perspective, what deals have been done with local government to date, what assurances we have got for the National Assembly about match funding for this money, what support we have got for businesses, and what projects, and when, will be put on the ground in the near future with the £120 million. We have come a long way to date, and there has been a lot of co-operation, but we need more support for the future. The cautious welcome will have to remain cautious until we get answers to those questions.

I said that austerity is not over, and it is clear from the Red Book that it is not. Let us look at some of the figures in the Red Book. Let us take, for example, the Home Office. This year's budget is £10.8 billion; the 2019-20 budget is £10.7 billion. This is at a time when police officer numbers have been cut by 21,000 from when I

had the honour of being Policing Minister in 2010; when as my hon. Friend the Member for Sheffield, Heeley (Louise Haigh) has pointed out, only today the National Police Chiefs Council is potentially taking the Government to court over £165 million-worth of investment on pensions; and when shoplifting is up by 4%, robbery is up by 11%, theft is up by 6%, violence is up by 13%, and sexual offences are up by 46%. The Government are going to fall back on local taxpayers, yet again, to bail out the funding for policing. The Government themselves should be funding policing.

For the Ministry for Justice, this year's figure is £6.3 billion and next year's figure is £6 billion. That is a £300 million reduction in expenditure at a time when prison officers are under stress and attacks on prisoners are increasing—when there is a real challenge in the prison system. For the International Trade Department, at a time when we have the uncertainties that are facing us with Brexit, there is a cut of 25%—not much optimism about doing trade deals there.

Throughout the position set out in the Red Book, there are deep cuts in a range of key budget areas. This is at a time when the Government are also ensuring that almost half of the income tax cuts in the Budget are going to the top 10% of households, and when three quarters of the £12 billion welfare cuts—including the changes announced which are not really going to meet the problems of universal credit—remain Government policy from the 2015 election. Nobody begrudges a tax cut to middle-income doctors, nurses and police professionals, but yet again the Government have not raised the 40% tax rate to 45%. They have cut the bank levy from £2.6 billion to £1.1 billion. They are going to raise £32 billion from council tax this year but £40 billion in three years' time. They are going to transfer the responsibility for funding to people on the ground rather than having central Government funding.

There are some things to welcome in this Budget, but austerity is still present, hurting my constituents' incomes and the public services they depend on.

2.39 pm

**Priti Patel** (Witham) (Con): Budgets provide the Government of the day with the opportunity to demonstrate their vision and long-term ambitions and aspirations for the economy, the citizens of our country and our communities and businesses. As the noble Lord Lawson, the former Chancellor, frequently said in his time in government, to govern is to choose. Setting a Budget is about exactly that—making responsible choices and decisions in the long-term national economic interest. Several Members have touched on some of the commendable steps taken, so my remarks will focus on where we have more to do.

In particular, we need to focus on the strong and unyielding case, particularly given what we hear from the Opposition Benches, for economic liberalisation and long-term monetary and fiscal competence. That includes the promotion of economic freedoms, led by pioneering policies on tax reform and simplification of the tax system—for example, by integrating income tax and national insurance into a single tax, to reduce complexity and bring parity between the employed and the self-employed. That would enable the Government to lower the tax burden further, so that people can keep more of the money they earn.

We have heard about home ownership. We need reform of property taxes, including stamp duty, to promote and support home ownership. We need to provide tax freedoms for local councils, so that they can compete and become engines of regional economic growth and competition, rather than centralise regional and local spending decisions in Whitehall, as we have seen for decade after decade.

We need to support our communities through a devolution revolution, so that regional leaders and organisations—ranging from business organisations such as the Essex chambers of commerce in my constituency and restructured business-facing local enterprise partnerships with a remit more relevant to their geography—are empowered to do more on economic growth. We must empower our police, fire and crime commissioners and regional transport boards to deliver the lower Thames crossing and enhance road improvements across our constituencies and our region. We must give those regional leaders the ability to deliver for people, communities and businesses.

We need to focus on outcomes, such as more police through localised budgets and accountable local police leadership; support for new economic corridors, such as the A12 in my constituency and the A120—essential roads that need investment if we are going to continue to meet the growing demands of the regional and national economy; and localising skills provision, which we do not speak about enough, so that it is led by businesses and not bureaucratic local government schemes that often replicate some of the unproductive aspects of Whitehall government.

On top of that, we cannot be complacent with the economy, which means the public finances as well, either now or in the long term. We are still borrowing large amounts of money each year, and deficit reduction must remain a core part of sound financial management. National debt now exceeds £1.8 trillion, which is the equivalent of 83% of our GDP.

As we look to the future, alongside a long-term ambition for the British economy, we need a long-term plan which demonstrates that the UK will have many opportunities for economic growth and progress once we leave the European Union. That means Brexit being accompanied by radically pro-growth, pro-enterprise economic policies that liberalise and empower not only communities but businesses and new industries to flourish and grow in the United Kingdom. We are competing with some of the brightest and the best in the world, and we now see an emerging middle class in some of the fastest growing non-western economies supplanting the established western middle class as the engine of economic growth across the world.

We need to focus much more on not only the short-term but the long-term policies that unleash our potential to grow and thrive. As Conservatives, that means promoting economic liberty, trust in people and local decision makers, addressing gaps in prosperity by boosting economic freedoms and applying fiscal discipline, so that we can give Britain and the British people a fair chance, through their own efforts, of economic security for themselves and their families, which this Budget goes some way to doing.

2.44 pm

**Mr Kevan Jones** (North Durham) (Lab): The Prime Minister said in her conference speech that this was the end of austerity. The Chancellor had an opportunity on Monday to make that a reality, but it did not happen.

The Secretary of State for Business, Energy and Industrial Strategy relied on the usual Conservative mantra, which is that austerity is all Labour's fault. I remind Conservative Members that up until 2007, they did not complain about our spending; they said that they would match it. In some areas, they wanted more expenditure. They wanted less regulation of banks, not more. If we had done what the Conservatives suggested we did with the banks when they crashed, we would be in a worse state now. My hon. Friend the Member for Glasgow North East (Mr Sweeney) is correct: the economy was growing in 2010. It was the reckless emergency Budget in 2010 by the incoming coalition Government that crashed the economy, and it is that austerity we are suffering from now.

The Secretary of State said that Labour is anti-business. I am not anti-business. Business is very important for my constituents and the health of the economy, but strong local government and strong communities are also important for that. The Government have a role in ensuring that we have economic prosperity.

As my right hon. Friend the Member for Delyn (David Hanson) said, austerity clearly has not finished in the Home Office, and it has not finished in local government. The one-off proposals show that Durham County Council, which has lost £200 million in grant over the past eight years, will lose another £14 million next year, because the revenue support grant has not been changed. There is no change—communities and councils up and down the country will still face austerity, so the idea that austerity has somehow finished in this country is complete nonsense.

On strong local communities, I welcome the commitment in the Budget to £2 billion for mental health, but the Government have got it wrong, because the investment needs to go into local community services. We do not want people to get to A&E. It is great having a psychiatric nurse or professional in A&E, but we have failed if people get there in the first place. Likewise, I welcome the proposal to put mental health workers in schools, but many of the young people we are talking about do not attend school. We need investment in local communities' support network.

We must also ensure that we have the mental health professionals in place, because there is a crisis with them that we need to address. That is where the money needs to go. We need to hardwire mental health into Government policy making and not have this ridiculous situation where policies such as cuts to local authorities and universal credit lead to a mental health crisis. We need to address the core problem, and this Budget is not doing it.

I want to briefly touch on defence, which Members will know is another one of my interests. Great play has been made of the extra £1 billion for defence, but we must remember that in the past eight years, the coalition and Conservative Governments have cut 16% of the defence budget. I asked yesterday what the extra £1 billion will be spent on, but the Government cannot say. I suspect that it is not new money, but rather drawdown

from the money already committed for the nuclear deterrent, so this will not be a bonanza for defence and will not meet the £20 billion black hole in the defence budget.

Likewise, I welcome the fact that the Chancellor announced £10 million for the Armed Forces Covenant Fund Trust to support veterans' mental health, but is that new money or existing money? If we look at the covenant report, there is already £10 million in that budget annually. If there is an extra £10 million, that is good, but we do not need a sticking plaster. We need to mainstream veterans' mental health in the health service and do what I suggested in 2010, which is to ensure that we have veterans' tracking in the health service. We announced that in 2010, and the first thing the coalition Government did was to stop it and not replace it.

This Budget is a missed opportunity. Communities are going to suffer, and if we get what we have had from this Conservative Government in the past few years, even where there is extra money, it will be doled out like a pork barrel to areas that support the Conservatives. Other areas that they do not really care about will get nothing. We only need to look at the north-east to see that that strategy is continuing with this Budget, and it is an absolute disgrace.

2.49 pm

**Nigel Huddleston** (Mid Worcestershire) (Con): There is a lot to praise in this Budget. I and my constituents particularly welcome the confirmation of the additional funding for the NHS and the additional money for social care, infrastructure, broadband, schools and defence, as well as of course the changes to business rates. I appreciate the fact that the Chancellor acknowledged my own representations on VAT, and given that I have 107 pubs in my constituency—about 35 more than the average—I particularly welcome the freeze on beer and spirits duty, as do my constituents.

The fact that the Chancellor was able to do all these things, announcing about £100 billion of additional spending over a five-year period, without increasing taxes—in fact, reducing them—is a remarkable achievement, and he deserves considerable praise. Although my constituents have been telling me for months—in fact, for years—that if it was necessary to increase tax, they would be willing for that to happen, I am glad that it has not happened.

This is not just about the total amount of money being spent; it is about where and how it is spent. I believe we have considerable further work to do on this, because if the money is not spent in a balanced way, areas of the country suffer. My area of the country is not getting its fair share of public expenditure. We are now seeing this in the fact that my constituency was ranked 522nd out of 533 in the latest social mobility index by constituency.

One key is education and education funding. There are few more important things in politics than enabling our children to reach their full potential, and education is the key route to doing so. It is my personal ambition to focus on that in Parliament. I am from a relatively modest background. My dad—my Labour-voting, trade unionist dad, by the way—worked in a factory and my Mum was on the tills at Asda, and I went to a comprehensive school. I was the first person from my



school to go to Oxford, and the first person in my family to go to university. Social mobility is therefore key for me, and it is very important.

We know that education is not all about money, but it plays such an important role. It is no accident that the top-funded places in the country—they are mainly in London—also have the highest social mobility and, conversely, that the lowest funded areas are the lowest for social mobility. There is clearly a strong link. In my constituency, average funding for secondary schools is £4,875. It is one of the lowest figures in the country, and it is £500 below the average school. It is also £3,000 per pupil per year less than in Hackney and £2,000 per pupil per year less than in Islington. Yet average incomes in my constituency, at £404, are £39 below the national average. That is also £150 less than in the shadow Home Secretary's constituency of Hackney North and Stoke Newington, so this is not just related to income.

This is unfair, and I am glad that the Government are taking action and, with the fairer funding formula, ensuring that we will make changes. I applaud the fact that we will do so as fast and in as easy a way as we can, and like my right hon. Friend the Member for Sevenoaks (Sir Michael Fallon), who is no longer in his place, I support significant increases in education funding. If that means increases in tax, I will support that and my constituents will support it. It is that important.

My area of Worcestershire is also suffering in other ways, such as in clinical commissioning group spending.

**Alex Chalk** (Cheltenham) (Con): Before my hon. Friend moves away from education, does he agree that one of the key pressures on mainstream schools is that local authorities are seeking to take from mainstream schools to fund high needs, because of the burgeoning complexities in such areas? That is a very important pressure on our schools.

**Nigel Huddleston:** I agree completely. In fact, one of the main reasons why social mobility is such a challenge in my constituency is that there are a disproportionately high special needs. There is also a disproportionately high number of children with English as a second language. All these things require more attention, and they are causing genuine pressure on budgets.

I was mentioning NHS spending. The average CCG spending is £1,254, but the figure in Worcestershire is £1,138. There are areas of the country where average spending per person is up to £1,670. Again, my constituents are losing out to the tune of £500 per person per year vis-à-vis other areas. I do not resent the fact that other areas of the country are getting considerably more public expenditure than my constituents; I am just very jealous, and I want to make sure that my constituents get their fair share.

On infrastructure, whether broadband or road building, the midlands in particular—the area I represent—is underfunded compared with London and the south-east, which get so much funding. I am glad to see that that will change. There are announcements in the Budget for considerable increases in transport infrastructure spend. For example, I hope that the A46 will benefit.

I do not want to give the impression that it is all doom and gloom in my constituency, because it is frequently mentioned, after all, as one of the most desirable places in the country in which to live. It is

obviously not because we are overfunded through public expenditure, but because the people in my constituency work hard. They are self-reliant, and if there is a problem, they look first in the mirror and try to resolve it themselves. It is unfair if my constituents have to delve into their own pockets to pay for things that are provided in other parts of the country through public expenditure. We need a balance, and a rebalancing, in where public money goes. In conclusion, I am arguing today not for special treatment for my constituents, but for fair and equal treatment, which I will do everything I can to deliver.

2.55 pm

**Rachael Maskell** (York Central) (Lab/Co-op): The Prime Minister declared austerity to be over and the Chancellor downgraded the prediction to say that it is coming to an end, but the reality is that each Department is having to make 3% cuts, which hardly backs up those statements. Of course, the corporate giants will still enjoy their £110 billion corporate tax giveaway, while 1,000 people have seen their personal wealth increase by £274 billion over the past five years. For my constituents and many like them up and down the country, the harsh reality of services slashed and under increasing pressure and the daily experience of living in poverty or just scraping by was not addressed by this Budget. We all know that the money is going to the wrong places, and it will take a radical Labour Government to restructure and transform our economy to make sure that we invest in people's future.

I want to turn to the high streets. On 8 March 2017, resulting from the valuation process and the sharp rises in business rates, we were promised a full business rates review, but it has not happened. Instead, temporary relief schemes have been provided to local authorities, badly managed by local authorities and then withdrawn. We did not hear on Monday about how all the temporary relief has been withdrawn from small businesses. That has had an impact on pubs, which are losing £1,000, and on other small businesses, as well as medium-sized businesses—the anchors of our high streets—which will not be eligible for the one third reduction in their business rates. Again, this will have a massive impact on our high streets, but we did not hear about that from the Chancellor on Monday.

The announcement on business rates was again a short-term one—just two years. All such funding is so short-term; it is about the crisis management of our high streets, although businesses have to sign long—10-year—leases. They cannot make such long-term investments if the Government do not back them up. We are still seeing the inequality between our high streets and the out-of-town retail sector and between our high streets and online shopping, and they were not properly addressed either. Plasters were thrown out last year and bandages this year, but what we need is surgery—with real reform taking place—on our business rates system. I will not give up until we get real reform.

We need to address the causation of this problem, about which I have yet to hear from this Government. We have investors—mainly offshore investors—owning properties on our high streets, and while the revenue they get from tenants is helpful, it is pocket money compared with the scale of their investments in pension schemes and other investments. That has not been

[*Rachael Maskell*]

tackled, and until it is, we will continue to have a crisis on our high streets. The escalation in rental values in places such as York is extortionate. The Government are providing relief for such corporate greed, but we need to address the greed where it sits. We are seeing the creation of a bubble on our high streets, and when it bursts, there will be a real collapse. I therefore urge the Chancellor to address the real problem of business rates.

I want to highlight the suggestions that have been made about a turnover or profit-based tax, which is far fairer and will create the greater equality that we need. I want to mention one of my streets, Coney Street, in York. We have about 50 empty properties in York, and footfall in Coney Street fell by 9.3% on the previous year and by 15% in the past two years. That is just short of 27,000 fewer shoppers.

**Kevin Hollinrake:** Will the hon. Lady give way?

**Rachael Maskell:** I am sorry, but I do not have time to give way. The hon. Gentleman had the opportunity to put in to speak in the debate.

Since September 2016, there has been real decline on Coney Street: this year alone, 12 stores have closed. Unbelievably, that—a place where there is no traffic—is where the WH Smith that is meant to be hosting the new post office is based. The current post office, on a prime site in Lendal—the busiest thoroughfare of our city—is to close. It has been there since 1884. That is the most perverse decision, and I urge the Business Secretary, who is listening, to consider the case of York and reverse that decision so that we can have a vibrant post office, rather than losing that public service in a good place on our high streets. Yet another year passes. The Government are ducking the real challenges on our high streets. We need a Labour Government to revive our high streets and communities.

3 pm

**James Morris** (Halesowen and Rowley Regis) (Con): I rise to support the Budget, which comes at an important time in the history of our country, when we need to develop policies fit to face future challenges. I agree with my right hon. Friend the Member for Haltemprice and Howden (Mr Davis), who is no longer in his place, that we should judge the Budget on whether it delivers practically for people, businesses and families across the country, including in my community. That is how we should judge what the Chancellor brought forward.

I want to highlight three areas on which the Budget delivers for my communities. In the end, individuals, businesses and communities are there to look for solutions, and the Government are there to help. In the Budget, the Chancellor announced significant help on business rates for high streets. In Halesowen and in the Rowley Regis area of my constituency—Blackheath, Cradley Heath and Old Hill—people are very attached to their local high streets. People in Halesowen's business improvement district are working very hard to make it a more attractive place to do business and to encourage footfall. Those people working hard in my community have the real solutions. The Government can help, as the Chancellor has through his announcement of the measures on business rates. That is a positive measure for people in my community.

The second aspect that I wanted to highlight was the new investment in the national health service, in particular around mental health. I have been campaigning about the issue for many years. It is important because it is not just a philosophical principle—that there should be parity of esteem between mental and physical health in the national health service—but it actually helps people in my community lead more resilient lives and makes their lives more fulfilling. That is why we need to invest more money in mental health.

We have the opportunity to find community solutions to the increased prevalence of mental health issues. We must find ways for schools, local authorities and people in my community to collaborate and come up with solutions and help for people suffering from mental health problems, so that they can recover and lead fulfilling lives. That is why the issue is important—it is one of the biggest health challenges we will face over the next 20 or 30 years.

Economies grow only because of the work of people who want to start and develop businesses. Those people create jobs. One of the great success stories of the last few years has been the number of businesses that have started in this country. They are creating jobs in my constituency—people who get up in the morning, improve their lives and provide jobs and opportunities for people. The Budget is there to help people achieve those goals.

The increase in the annual capital allowance—encouraging investment, encouraging people to plan for the long term—helps those people. However, in the end it is the business people—the individuals, the entrepreneurs—who will drive our economy forward as we look to the future post Brexit. They will be the lifeblood of our economy. The Government can play a role, but they do not have all the solutions. The solutions are in the hands of ordinary people. But the Government, through some of the measures in the Budget, can help by providing practical solutions.

The Budget was a series of practical measures that will help people in my constituency and around the country by investing in our health service and helping the high street, which is facing real challenges. It is individuals and communities, working with the Government, who will solve some of those problems. The Government are encouraging business investment, investing in research and development for the future and supporting our businesses so that we can start to think of the future and build on the foundations that we have developed in government. In that way, we will build a country that can face up to the challenges and really take advantage of the opportunities out there in the world.

3.5 pm

**Conor McGinn** (St Helens North) (Lab): After eight years of austerity, people in St Helens are today, more than ever, feeling the effects of the swingeing cuts to our schools, our police, our NHS and our local government services. I am afraid to say that nothing announced in this Budget by the Chancellor can undo the impact that those cuts have had on our community and families right across the borough that I represent.

St Helens Council will have lost 71% of its central Government funding by 2020—the equivalent of over £500 for every man, woman and child in our borough.

It is just short of two years' worth of the entire social care budget at a time when almost 5,000 adults in the borough are in need of long-term care and almost 2,000 vulnerable children are in care or need some form of long-term protection. Meanwhile, the number of residents over the age of 90 is set to triple in the next 20 years and the number of those with dementia is set to increase by almost 60% in the next decade.

Unbelievably, the Chancellor said that he was announcing a "funding bonus" for schools to help with the "little extras". Does he think that teachers and books are "little extras"? Those are what local schools tell me they cannot afford. There have been funding reductions of nearly £400 per pupil in my constituency, equivalent to over 200 teaching posts gone. This Friday, I am attending an emergency meeting at an outstanding primary school to see how we are going to address its deficit of £90,000 this year and £200,000 next year. Listening to those on the Government Benches, it seems that pupils, parents and teachers should be grateful for the £10,000 for the "little extras".

Although I welcome the Government's new found interest in renewing our high streets, I will be seeking clarity about how much of that is new money, and how much will be allocated to towns like St Helens and Newton-le-Willows. There must also be clarity from the Government about who is going to pay—it should be Whitehall, not the town hall.

Over the past eight years, the Government have taken billions of pounds from our public services and from the pockets of working people. St Helens and places like it have been disproportionately burdened with those cuts and a reduction in wages and living standards. If the Budget means that even the smallest fraction of some of the money taken is being returned, the Government can rest assured that I will be holding them to account and fighting to make sure that my community gets its fair share.

It is a tough time. There is a lot of uncertainty around Brexit: funding from the European Union has driven regeneration in some of the most deprived communities in Merseyside, but now we face the prospect of north-west economic growth slowing by 12%. In any scenario, my community will be poorer. I want to be clear: I did not come into politics to do anything that would make my constituents poorer, and I am not going to do it now. I accept that we are leaving the European Union, but I do not accept that in doing so we wilfully cause an economic catastrophe that will have a devastating impact on communities and business in the constituency that I represent and cause people who live there untold hardship.

Despite the challenges, we are ambitious. We are home to one of the best and largest chambers of commerce in the country. Our Ambassador programme brings together business leaders from right across the borough. The company Communications Plus in Rainford has won a Queen's Award for Enterprise. ATG Access, its products made in St Helens, is at this very moment protecting us in this building and protecting many iconic buildings across the world. We have just had an international pharmaceutical company relocate, creating 200 jobs. The Liverpool city region, under Metro Mayor Steve Rotherham, is investing in our infrastructure, with a new station at Newton-le-Willows and new road improvements at Windle Island. In sport, we will be a

host venue for the Rugby League world cup. Most excitingly, 25 years after a Tory Government closed Parkside colliery in my constituency, we are on the shortlist to be the UK centre for a world-leading train manufacturer and for it to locate its business here. We are also achieving investment and working hard to be a nationally recognised centre for arts and culture. We have a music board, created by UK Music, to help to enhance the £135 million that music already contributes to our regional economy.

To conclude, the community I represent is resilient. It got through the ravages of deindustrialisation under a previous Tory Government. It will survive austerity and it will get through Brexit. Its civic, community and business leaders are proud of its past and ambitious for its future, but we need and we demand the tools from Government. If we have them, there is no limit to what we can achieve.

3.11 pm

**Scott Mann** (North Cornwall) (Con): It is a pleasure to be called in the Budget debate and to follow the hon. Member for St Helens North (Conor McGinn).

This was a good Budget for my constituents in North Cornwall. It brings investment and empowerment to our local communities and businesses, while maintaining the financial discipline that we on the Conservative Benches pride ourselves in. I welcome the big announcements on defence, broadband, the NHS and mental health, but in the time that I have I would like to focus on some of the micro-elements in the Budget that will really help some of my constituents.

First, I would like to mention the mandatory rate relief on public loos. My hon. Friend the Member for St Austell and Newquay (Steve Double) and I have been campaigning on this issue for quite some time. It seemed quite ridiculous that local authorities had to charge themselves for public toilets. We are delighted that the Treasury has now excluded them and provided mandatory rate relief. What does this mean for some of my communities? Many public loos have been closed under Cornwall Council. This morning, the mayor of Bude wrote to me to say that he is absolutely delighted with this new policy and that it will assist him in being able to reopen some of the closed sites in Poughill and Stratton. I have also had representations from Wadebridge Town Council and Bodmin Town Council showing their support for this policy. This issue might be a bit of a joke to some people, but being on a beach with a two or three-year-old child is no joke if the public toilet is three or four miles away. I can assure the House that in terms of tourism for North Cornwall, this is a really big deal.

**Richard Drax** (South Dorset) (Con): Charities tell me that 2 million people cannot be more than 10 minutes from a loo. If we do not have public loos, they are in effect stuck in their houses.

**Scott Mann**: My hon. Friend makes a very good point. Bladders are not seasonal, Madam Deputy Speaker. You cannot tell a two or three year old to hold their bladder while they are on the beach—that is impossible. We pride ourselves on our blue flag beaches. It is important to us that we recognise how good they are. We do not want people discharging themselves in the sea;

[Scott Mann]

we would much rather they discharged themselves in public loos. So we are delighted about this measure, Madam Deputy Speaker.

I look around my high street and I see that the majority of businesses are small businesses. They are the lifeblood of the North Cornwall economy. Some 90% of those businesses will benefit from the reductions in small business taxation. One business wrote to me today: Lindsay from Linterior Design in Wadebridge told me that she has just expanded her business. The extra money from the rates cut will enable her to refurbish her business, putting some of her hard-earned money back into it. Real people with real businesses on the high street are saying that these are the real issues that affect them. The reform of the business rate shows how the Government have found a way to support enterprise and individuals in a fair way. Coupled with the tax on internet giants who gross £500 billion a year globally, this shows that the Chancellor has the best interests of small and independent stores at the heart of government. I am very pleased about that.

It was not mentioned at the Dispatch Box, but my colleagues and I in Cornwall care passionately about fairness on the second homes issue. We have been campaigning on this issue with Ministry of Housing, Communities and Local Government Ministers. It appears that some people soft let their second homes, paying neither council tax nor business rates. I was pleased to see in the Red Book that this is being reviewed. I represent an area with a number of second homes and I receive a lot of correspondence about it. It is important that everybody pays their fair share, so I am pleased that the Government are reviewing that particular policy. We have been lobbying on it for quite some time.

I was delighted by the announcement on single-use plastics. I represent a coastal constituency. Several groups, including the Polzeath Marine Conservation Society, Surfers against Sewage and the Bude Cleaner Seas project, have written to me about single-use plastics. The announcement was good, but I think we can go further on some environmental measures. I will mention my Bathing Waters Bill here, because the Government should consider the issue of sewage going into the sea. I understand that this is a matter not for the Treasury, but the Department for Environment, Food and Rural Affairs. We find ourselves in a position where water companies are polluting the sea and that is just not right. I hope we can give further consideration to this issue at a later date.

On fisheries, I am delighted that £12 million will be dedicated to the fisheries industry. My hon. Friend the Member for South East Cornwall (Mrs Murray) has campaigned tirelessly to get transponders on smaller vessels, so I am delighted that £2 million of the fund will go to that. There will be £10 million for tech and innovation in the fisheries industry. We have not seen tech innovation in the industry for quite some time. It will enable us to fish in a more environmentally sustainable way.

On manifesto commitments, I am delighted that we are bringing forward big, macro policies on lifting thresholds. I represent an area where many people have modest incomes. They will see that money reinvested back into society. I am delighted with the Budget and will be supporting it in the coming days.

3.16 pm

**Mr Jim Cunningham** (Coventry South) (Lab): I will start by setting the record straight: the economic crisis happened in the United States. It started with Lehman Brothers and the US housing market. For the information of those on the Government Benches, George Osborne only a couple of months ago said it was not Gordon Brown's fault. If the Labour Government had not taken the measures they did, most of those on the Government Benches would be sleeping rough tonight because their pensions and incomes would have all gone. They may want to ponder that when they make all sorts of allegations about the previous Labour Government.

I note that there has been no reference, certainly from the Secretary of State for Business, Energy and Industrial Strategy, to any discussions he may have had about fracking. People are concerned about the consequences of fracking, so I hope that when the Minister winds up he will tell us where the Government actually stand on it. To say the least, there has been quite a lot of public disquiet. I also note that, as far as I could see, there was no reference in the Budget to a social housing programme. What I mean by that is council housing. The only way we can deal with the housing crisis is through proper social housing at affordable rents. In my experience, only local authorities can do that. I spent 22 years on a local authority, so I do have some experience of that.

Since their party conference, the Government have repeatedly said that the end of austerity is coming. I did not see that in the Budget. As expected, the Government have failed to live up to that promise. The end of austerity will come only when the Government increase funding across the board. This Budget does not give the police, schools, hospitals or local councils the money they badly need and for years have been denuded of.

Another issue I did not hear mentioned in the Budget was that of WASPI women and women born in the 1950s. WASPI women took the chance to express their disappointment a couple of days ago in the Public Gallery, so we have a good idea what they are feeling. These women have had sharp rises in income poverty, with their average weekly income falling by £32. The IFS put the gain to the Treasury from the rise in pension age at £5.1 billion per year since 2010, saving it £40 billion. Frankly, the Treasury can afford to pay them. Despite that, the Government have offered nothing to the 5 million people waiting longer for their pensions. It is no wonder then that the WASPI women are angry and are demonstrating on the streets.

The Chancellor was forced to increase universal credit funding amid Department for Work and Pensions mismanagement. We still do not know what the Government are going to do about that. Providing £1 billion of extra money over five years will make a difference, but not much to those losing out. Some 3.2 million families will lose £48 a week on average; the new funding means an extra £1.20 a week. Higher work allowances reduce losses for some, but the Government must fund universal credit properly or abandon it. As the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) said, the Government are still not adequately funding universal credit. They cannot keep delaying its roll-out forever.

The Budget gives schools a one-off bonus of £400 million to help to buy the "little extras" that the Chancellor referred to.

**Faisal Rashid** (Warrington South) (Lab): Does my hon. Friend agree that it is utterly shameful that the Budget aims to claw back £700 million from the self-employed by reforming off-payroll working, yet only £400 million from the tech giants, which have avoided an astonishing £5 billion-worth of tax over the last five years?

**Mr Cunningham:** I agree, but I point out to my hon. Friend that between 4 million and 5 million people earn poverty wages in this country, which demonstrates that work does not pay under this Government.

To turn back to education, the bonus averages out at £10,000 per primary school and £50,000 per secondary school—around £50 per pupil. If we think about that, the Government took £4.5 billion out of education, then put £1.5 billion back, so they still owe over £3 billion. Analysis suggests that schools in Coventry have faced almost a £300 cut to funding per pupil since 2014, so a £50 one-off payment per pupil is a drop in the ocean—barely enough to buy two new textbooks. Schools do not need small change or “little extras”; they need funding to rehire special educational needs senior assistants, to re-offer dropped subjects and to fund teacher pay increases fully.

As hon. Members all know, Coventry will be the city of culture and while I welcome the £8.5 million for that, the Government still have not given us the same amount of money that they gave Hull—in fact, it is nearly half. The city centre will benefit hugely, and it will also benefit from cuts to business rates for smaller businesses. However, as I said, the £8.5 million is below the £14 million that was given to Hull for 2017. I will work closely with my colleagues in Coventry City Council. Coventry must receive its fair share of funding to help to make the most of the city of culture opportunity.

3.22 pm

**Stephen Hammond** (Wimbledon) (Con): It is a pleasure to follow the hon. Member for Coventry South (Mr Cunningham) and to make a short contribution to the debate. I was very lucky to attend one of the best state secondary schools in the country. I was taught by inspirational teachers, and I remember two in particular today. My history teacher said, “Remember that there are myths and rewriting of history.” As I listen to Labour Front Benchers today, I note that their economic history is certainly being rewritten.

I was also reminded of my English teacher, who taught us that the great Shakespearean themes are appearance and reality. For many, the appearance of Wimbledon is that it is a leafy suburb where we play a bit of tennis and not much else happens, but the reality is rather different. Like so many places up and down the country, there will be rejoicing on the high streets of Wimbledon Park, Raynes Park and Motspur Park at the news on business rates. High streets and local high streets are at the heart of our community, whether people live in a suburb such as Wimbledon, a smaller town or a rural area, and this is to be welcomed.

**Faisal Rashid:** Will the hon. Gentleman join me in welcoming the Chancellor’s decision to use the Budget to show his support for Labour’s plan for Government by taking on board our long-standing policy to take action to support ailing high streets?

**Stephen Hammond:** The Labour party had 13 years to enact support for the high streets; this Government and this Chancellor are doing it. Therefore, I will concentrate on what is happening here and now and not on something that will not happen. Labour has not been elected to Government.

The reality of Wimbledon is also that we are a high-performing, small, high-tech, entrepreneurial, start-up suburb, and there is much in this Budget that will be extraordinarily helpful to those firms. The annual increase in the investment allowance will undoubtedly start to provide the certainty and encouragement that businesses need. The commitment to reviewing the taxation of intangible fixed assets and the reduction in the capital allowances special rate are going to start to stimulate the investment that this economy needs, has seen and will continue to see.

Many high-tech businesses are mobile. This means that for many, the choice of where people are located is not just between Wimbledon and anywhere in the UK, but between the UK and anywhere else in the world. A Budget that supports digital infrastructure and high-tech companies is to be welcomed. If a modern industrial strategy is to mean anything, it needs to mean that we support the industries of the future as well as the industries of the past. This is what the Budget does.

It is equally invaluable that we have high-quality infrastructure, whether physical or virtual, and measures in the Budget show the Government’s ambition. The extension of the national productivity investment fund provides the bedrock for those improvements to 2023-24. That is combined with extra funding for broadband, the transforming cities fund and the industrial strategy fund, in which there is £100 million for Made Smarter. That is going to transform hugely manufacturing in digital technologies. I am delighted that that has happened, and I was fortunate recently to visit Print City at Manchester Metropolitan University. This will be one of the industries of the future.

The industrial strategy, however, is not just about physical infrastructure; it clearly has to be about building a workforce who are skilled to face that challenge. The Turing scholarships speak to that need, but we also need an economy that has skills for everyone, if we want everyone to benefit from it. Government Front Benchers will know that the revival of apprenticeships since 2010 has been a life-changing opportunity for so many. During Colleges Week two weeks ago, I was fortunate, like many, to visit young people at Merton College who want to participate in IT apprenticeships. Measures to extend incentives for apprenticeships, and to stimulate the opportunities for small companies to play a huge part—particularly those in the small, high-tech entrepreneurial sector, such as those that I mentioned in Wimbledon—and to take more people on and provide them with a quality life experience will transform the opportunities for many.

However, there are a couple of elements that I hope Government Front Benchers will consider in this Budget. Everyone supports extending choice and opportunity for tertiary education. Despite what my right hon. Friend the Member for Haltemprice and Howden (Mr Davis) said, I believe that student loans have facilitated a huge extension of the numbers of people going to university, but can it really be fair to charge an interest rate of

[Stephen Hammond]

6.1%? It could become a disincentive, notwithstanding the fact that many loans are not paid back, and I urge the Minister to discuss with the Chancellor whether it can be justified. It would send a huge statement to young people going to university.

No one will quibble either with the Chancellor's claim that everybody should pay the tax they owe, but HMRC's application of IR35 rules is often retrospective, unresponsive and unfair. Under modern working arrangements, contractors are often working and employed for longer than they used to be. I understand the need for the rules, but there is an issue with the certainty and consistency of their application. I hope that Ministers and HMRC will reconsider whether it is fair.

As the Chancellor and others have acknowledged, risks lie ahead. The OBR's growth forecast today is 1 percentage point lower than it was in 2015. There can be no other explanation than the uncertainty surrounding Brexit. If we had continued with the level of growth projected in 2015, not only could we have undertaken the largest fiscal loosening in a generation, providing vital investment for public services, but fiscal Phil could have met his fiscal objectives and balanced the books.

I urge the Minister to bear it in mind that no deal means no transition, uncertainty for British business and trade on worse terms. It is crucial, as the OBR has said, that we see no further disruption from Brexit and get a negotiated settlement that allows British business to prosper and the benefits of the Budget to come through for everyone.

3.30 pm

**Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): As a west midlands Member of Parliament for a constituency that has a long manufacturing tradition but is still heavily dependent on the success of our motor industry in general and Jaguar Land Rover in particular, I want to add to the thrust of the questions put by my hon. Friends the Members for Birmingham, Northfield (Richard Burden) and for Coventry South (Mr Cunningham) and ask about the impact of taxation in the environmental programme in our motor industry.

I agree with the Minister. Our motor industry is a world leader and internationally recognised. It is at the cutting edge of research and development on current models and leading the way in developing new generations of electric and autonomous vehicles. It employs more than 1 million people, either directly or in the supply chain and related industries, and its exports amount to 12% of our total goods exports.

Notwithstanding this contribution, our motor industry is facing problems that unfortunately were not tackled in the Budget. Investment has dropped by a third in the past year, while new car sales have dropped by 20%—a reduction driven by a catastrophic drop of 40% in sales of diesel cars. This has particularly affected Jaguar Land Rover in the west midlands. Given this scenario, I would reasonably have expected a Chancellor of the Exchequer to consider measures to help an industry that is so important but in such a desperate situation.

Part of the problem is due to the chilling effect of Brexit, and I recognise that there is a limit to what the Chancellor can do about that, but the fact remains that

consumer choice of new cars is heavily influenced by company car taxes and vehicle excise duty, and the current regime is both damaging to the industry and bad for the environment. The current messaging around diesel fails to recognise that new diesel engines have no more NOx emissions than petrol-driven cars and produce 20% less carbon dioxide. Perversely, the current move to petrol-driven cars is actually increasing carbon dioxide emissions.

This policy is being driven by our commitment to—I am sorry for the jargon—the new worldwide harmonised light vehicle test procedure. It is right that we have committed to this new testing procedure, which tries to demonstrate the real road experience of vehicle emissions, rather than just the laboratory testing, but it will have an unintended consequence, in that there will be an increase in the level of emissions demonstrated as a result of this taxation, and potentially millions of consumers will be driven into higher vehicle excise duty bands as a result. It will mean that the Government's much-heralded cuts in income tax will be more than outweighed by their increase in vehicle excise duty.

The perverse outcome of the Government's policy is, as the right hon. Member for Meriden (Dame Caroline Spelman) pointed out in her question to the Prime Minister last week, that people are holding on to their current, more heavily polluting diesel cars, rather than buying cleaner, new models. The Government's policy is damaging to our motor industry, to our environment and to the consumer, and the Government have missed this opportunity do something about it. I urge the Minister, who I think understands the issue, and is committed to keeping our motor industry in the forefront of international development, to impress on the Treasury that if we have a new Budget next year—and even if we do not—action must be taken urgently to remedy this situation and save our motor industry.

3.35 pm

**Richard Drax** (South Dorset) (Con): There is much to welcome in the Budget for my constituents, not least the raising of tax thresholds, the freezing of fuel duty, the business rates announcement, the freezing of beer duty, and other announcements, all of which are to be welcomed and will help my constituents.

I wish to sound a note of caution to Ministers—that we should use the words “the end of austerity” with care. I am afraid I do not agree that austerity has ended in the technical sense, because we have a debt of £1.8 trillion, and we have debt interest to pay of nearly £50 billion per year—and all that before the country takes one pace forward. To say that austerity is ending could be slightly misleading, suggesting that we can turn on the taps and spray money around to all the many good causes when, in effect, we cannot. I think we must accept, in all parts of the House, that the United Kingdom has spent more money than she can afford for many years, under all Governments, and it is time now to live within our means. That is the way any household proceeds—it lives within its means.

To do that, and to raise the money that we need, there is only one source of income that we can generate. Here in the House, we cannot generate income. As MPs, we only create the infrastructure for the income to be generated. Who generates income? It is business: men

and women, the entrepreneurs in all our constituencies. It is they who risk their home, their future, their livelihood, their children's future, all to generate wealth and prosperity for this country, the taxes from which pay for all the public services into which everyone in this House, on whichever side we sit, wants to put more money. So to tax those business people heavily—to punish them—in an attempt to raise the money that we all need, will not succeed, and in the worst case we will end up in the position that the Leader of the Opposition exemplifies as his ideal—that of Venezuela. [HON. MEMBERS: "Oh."] It is a fact! The Opposition groan, but that is what happens if you follow Marxism and punish the wealth creators—people leave the country. [Interruption.] It is a fact.

We need to prioritise what money we have, and then decide how we spend it. Let us take overseas aid, for example—0.7% of GDP. Yes, we should help those who are not well-off around the world, but to have a target and to keep to it I think is wrong. We should give the developing world and those who need our help what we can afford to give them—just like any household budget. Then we would have more money for all the causes that we want to support. Charity starts at home.

In the short time that I have left, I shall touch on one or two items. I again advise Ministers that it is reform, reform, reform, not necessarily cash, that the NHS desperately needs. On the police, as I have said many times, there is no doubt that we want more officers on the beat. On welfare—[Interruption.] I entirely back my right hon. Friend the Member for Haltemprice and Howden (Mr Davis) in his view on welfare. We need tax to be radically simplified; we need lower taxation. The corporation tax take has increased because the level has been lowered. That is a statistical fact.

On education, we do a lot of work with the f40 campaign group—all credit to them—and at a recent meeting we heard that there is a gap between education funding, which has risen in real terms, and what schools have to pay to teachers and pensions. That is where the gap is. I say to the Front Bench that more money is definitely needed for education, particularly in places such as South Dorset which have been at the bottom of the scale for far too long.

As a former soldier, I entirely concur with what an Opposition Member said about defence: £1 billion is welcome, but it is not enough. I accept that we spend the second largest amount on defence, but defence is an insurance policy we cannot afford to short-change.

**Stewart Malcolm McDonald:** The defence money is not new money; it comes from the money held at the Treasury for the Dreadnought programme. This fantasy new £1.8 billion is not new at all.

**Richard Drax:** I will leave the politics to the Scottish National party, but what I will say is that I agree that more money is needed for the defence of our country; there is no doubt about that. We need more sailors. We have two aircraft carriers, but can probably only afford to man one. Aircraft carriers need submarines underneath, aircraft on top, and ships beside; they are the biggest expense budget item we could possibly have. I ask the Treasury please not to forget our brave men and women of the armed services.

I have another minute—thanks very much to the SNP, and I am sorry that those on the Opposition Benches will regret it—so let me end on the topic of home affordability, as it is a key issue. We all talk about affordable homes, but they are not; 80% of market value is not affordable. I say to the Government that we must think about how we can provide homes that are truly affordable to those, particularly in my constituency, who simply cannot afford to buy them at current prices. Radical review of that is necessary, please.

3.41 pm

**Albert Owen (Ynys Môn) (Lab):** I agree with one point that the hon. Member for South Dorset (Richard Drax) made: it is very welcome that we have had extra expenditure on our armed forces. Of course the Chancellor of the Exchequer made that announcement with pride, but he was in the Government who took the money away in the first instance and made things very difficult for our armed forces over the last eight years.

The hon. Member for Wimbledon (Stephen Hammond) rightly highlighted his school, and said it was a very good comprehensive school. My school was the first comprehensive school in this country. Like many schools, it has suffered from cuts over the past few years, and it will, I think, be upset that not much money has gone into education. Certainly the Barnett formula will not help schools in Wales.

This was a political Budget and its main target audience was the different factions of the Conservative party. The slogan—and it is a slogan—that austerity has ended is cruel in many ways, because that is not the reality. Why should we believe this Government? It was a Conservative Government who told us they would end the deficit by 2015, yet under the figures given by the Chancellor on Monday the deficit will still be there in 2023-24. They have missed their target by a little over nine years, and even then the figure will be 0.8%.

There was a missed opportunity on low carbon and climate change. A decade after we in the House of Commons introduced the Climate Change Act, which I was very pleased to vote for, the Government had an opportunity to move forward. They have invested in some low carbon measures through the growth strategies, and I welcome the nuclear sector deal, but one area where investment is greatly lacking is marine and tidal technology. The Government are missing a trick there, because many companies now want to invest in this country, and are doing so in research and development, but the money simply is not there for them to go from prototypes to actual commercial delivery. The Government need to look at that, because many of these companies are international and they will go elsewhere and manufacture the prototypes in other countries, and Britain will lose out.

I urge the Minister to put pressure on this issue. I have discussed it with the Secretary of State for Business, Energy and Industrial Strategy, the right hon. Member for Tunbridge Wells (Greg Clark), and he does understand, but he needs to ring-fence a subsidy—and it is a subsidy—to help this new technology, as we did with wind. When Labour was in government the Conservatives criticised us for subsidising wind farms, yet they are now saying it is their flagship policy. That turnabout is most welcome, but we now need to concentrate on marine technology,

[Albert Owen]

because we have the resource, the research and development and the skills, and we need to develop them moving forward.

Finally, I want to talk about the north Wales growth bid announcement. Like my right hon. Friend the Member for Delyn (David Hanson), I cautiously welcome the £120 million for the 600,000-plus people of north Wales. It does not quite compare with the amount that appeared on the magic money tree for the Democratic Unionist party in Northern Ireland, which has half the population but got double the money. I wonder why that is, Madam Deputy Speaker. However, the money will be useful for the Welsh Government, for local government and for the business sector working with MPs to develop our economy, which has struggled over the past decade, and I very much welcome it.

Some of the bids involved include energy developments in north-west Wales, which is a good thing. We are building on the energy sector deals, which is good for the economy of north Wales, but we need to see the details. We need to see how much money is available now, so that the other areas of the Welsh Government can match-fund it to maximise the potential to make north Wales a centre of excellence in low carbon energy. That is something that I have campaigned for, alongside the Secretary of State for Business, Energy and Industrial Strategy. He was very good on this when he was in opposition.

We need to see more action from this Government, and I hope that the politics will be put to one side and that we will work together to develop low carbon energy so that we as a country can be a world leader. I hope that the region of north Wales can work with the regions of north-west England to develop and become more connected as a region of the United Kingdom, and that we can develop top-class jobs there, because that is what we need. We do not need slogans; we need real jobs. We do not want hollow remarks about ending austerity; we want actually to end it.

3.46 pm

**John Howell** (Henley) (Con): It is a pleasure to follow the hon. Member for Ynys Môn (Albert Owen). I spoke to him in the Tea Room about fusion, and I think we both remain very excited about the potential of that project. I want to start by looking at unemployment. There was a time when the Library produced monthly assessments of constituencies, and my own constituency was invariably either at the top or near it in terms of best performance in dealing with employment. It should therefore come as no surprise that less than 1% of the economically engaged population in my constituency is unemployed at the moment. The number of young unemployed people—those under the age of 24—across the whole constituency amounts to 50. It is often argued that I know them all. I do not, but I wish I did.

Those figures illustrate an interesting point, which is that there is not a sufficient population within the constituency to fill the jobs necessary for growth and expanding businesses there. Two things need to happen in that regard. First, we need innovative solutions to the transport issue. I am pleased that the county council has helped to engineer smaller buses and lots of local buses, but I would like to see a little more help for this in

next year's spending review. Secondly, we need to make houses really affordable. A number of speakers have already mentioned the fact that houses are not genuinely affordable. There is one policy in the Budget that will help in this regard, and it is interesting that no one has mentioned it so far. It relates to the Chancellor's attempt to use the discount on houses to keep them for local people. I fully support that policy, and I do so in my role as a Government champion for neighbourhood planning.

**Kevin Hollinrake**: Hear, hear!

**John Howell**: Thank you. The whole point is to ensure that this is done through the neighbourhood planning process. This will give people an enormous incentive to undertake a neighbourhood plan, because they know that it might give them the opportunity to say that the houses involved are genuinely to be allocated to local people.

Moving on, business rates reform will be a real help for businesses, and I do not know why the Opposition are downplaying it. In Henley—I think that the same is true in Thame—the problem is not so much about high rents, but business rates, and the local paper maintains an empty-shop watch to note any fluctuations. I sought some information before this debate, and the number of smaller properties in the Henley area that will benefit from this third reduction in business rates is something like 250,000—a phenomenal number.

I mentioned fusion in several interventions, and it is something that I have kept a close eye on not only because the JET Culham Centre for Fusion Energy is in my constituency, but because I am the chair of the all-party parliamentary group on nuclear fusion. I am therefore pleased that an additional £20 million will be spent on the fusion project, an element of which was recently opened by Prince William. As I pointed out in an earlier intervention, that is a useful sum of money because it is not the commercial project, which is being undertaken in France.

3.51 pm

**Jenny Chapman** (Darlington) (Lab): It is a pleasure to follow the hon. Member for Henley (John Howell). What has struck me about this Budget debate compared with others that I have taken part in is the number of Conservative MPs who have risen, yes, to welcome the Budget—of course they will do that—but also to point out that they need more resources in their constituencies, particularly for schools, but for other issues, too. Clearly, this desire for the end of austerity that the Prime Minister and the Chancellor have recognised is not confined to Labour areas; it has spread across the country. The population is tired and exhausted by the lack or erosion of important public services, and I will concentrate on further education, skills and mental health provision for young people. The nation clearly wants change, but the measures that we have seen so far will do little, if anything, to address the issue adequately.

Colleges in all our constituencies are the real engines of social mobility. They are places where people can get a second chance and be supported. Some young people mature a little later than others, and a college is where they get their inspiration. They are where people who want to change focus in their lives can get support. We have known for years that college funding for full-time



16 and 17-year-olds is 20% lower than in schools, which just is not right. If we want, as was said earlier, to be a place of high skills and high wages—the brightest and the best in the world—we have to enable adult learners to participate and retrain when necessary. The number of adult learners now is about half what it was some 10 years ago, and concern is widespread among employers, the Russell Group of universities, Ofsted's chief inspector and the FE Commissioner. Thank goodness for the talented, dedicated teachers who make up for the lack of resources in our colleges and support students every day.

We can achieve little as a country, however, if we do not address the urgent but silent crisis of young people's mental health. Too many of our children are being failed. A young woman who had been cutting her arm came to my surgery. She showed me her scars. She had been to her GP and had been referred to child and adolescent mental health services, but she and her family were told that the situation was not serious enough to warrant her being seen by a specialist practitioner. That is a disgrace. How are we to build the strong, robust, vibrant, creative, intelligent, talented, resilient workforce this country needs if we cannot care for our young people who are experiencing such a crisis?

I recently read the minutes of my local mental health trust, because I wanted to find out what was happening:

"The service has experienced an increase of 12% in referrals in the past six months and has struggled to meet demand."

Yes, the service is struggling to meet demand. The minutes go on to say that the trust is considering ways to reduce referrals. My fear is that some of the additional investment, welcome though it is, will be used in A&E departments in crisis situations. The Government have reacted to strong campaigning from people such as my right hon. Friend the Member for North Durham (Mr Jones) and my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger), but the money will not adequately address the need among young children for prevention, early intervention and upskilling the workforce. Those things need to happen if we are to build the workforce we need.

The greatest tragedy is that this is 100% preventable, and that is what the Government should be addressing, not throwing a little bit of money here and there to try to appease interest groups and strong campaigners—that will not do. We need to address the fundamental problems we are experiencing in our society, because the impact of the long period of austerity is now being felt by our children and by the most vulnerable people in our communities.

3.56 pm

**Steve Double** (St Austell and Newquay) (Con): I welcome this Budget. It is the positive Budget our country needs as we look to the future after leaving the EU.

The Budget sends a positive message to hard-working people by raising the living wage, raising the tax threshold and putting extra money into universal credit. We are putting extra money into people's pockets every month, which will be welcomed across the country.

It is also a positive Budget for business. The Federation of Small Businesses said, rightly, that it is the most pro-small business Budget for many years. There are many measures to help businesses across the country,

particularly small businesses. The measures to help with business rates on the high street are welcome. The two main towns of my constituency, St Austell and Newquay, have real challenges in filling units to achieve a thriving high street, so the measures to reduce the business rates burden on those shops are hugely welcome and will go a long way to starting to address some of the challenges we face.

I thank the Chancellor for his decision to exempt public toilets from business rates, on which I have personally campaigned for six years. Back in 2012, I was the cabinet member on Cornwall Council with responsibility for public toilets, and I spent a year travelling Cornwall to visit far too many of them. Back then it struck me as ridiculous that we were charging business rates on public toilets; it was a real barrier to many small parish councils being able to keep those toilets open. It is very welcome that, after six years of pressing the issue, we have the right decision. This measure will go a long way to support tourism in Cornwall.

I also welcome the commitment in the Red Book to improve and increase the resilience of the railway line at Dawlish. I am sure many Members will remember the awful scenes in 2014 when the line on the south coast of Devon was washed away. We have done a lot of work, and the Government have already spent a lot of money to improve resilience, but we need to do a proper job. It is a welcome commitment in the Red Book that the Government will move forward with that next year.

We need now to press Network Rail to come up with a deliverable plan, and ensure that it gets properly funded and is delivered as soon as possible, because that railway link is vital to the Cornish economy. A lot of positive things are going on in Cornwall right now, but we need to make sure our transport connectivity is resilient and sustainable and continues to operate properly.

I wish to mention a couple of things that are happening in Cornwall, or potentially happening there, and that I hope the Government will continue to take note of. I have mentioned the opportunity of the spaceport in Cornwall in this Chamber today, but I want to really make the case, as it will be a huge boost to the Cornish economy. We welcome the measures the Government are taking to support the space industry. I believe Cornwall is very well positioned to play a major part in achieving the Government's space ambitions. Our recently confirmed partnership between Spaceport Cornwall and Virgin Orbit puts us in a good place to deliver the horizontal capability we need to see developed.

Large deposits of lithium have also been discovered in Cornwall. With the growing demand for that metal for batteries, it is very much not only in Cornwall's interest to revive our mining industry, but in the national interest to secure a domestic supply of this very important metal. I urge the Government to continue to support these emerging industries in Cornwall so that we can make sure that the potential is realised.

I want to finish by mentioning one thing I was disappointed about in the Budget: the increase in air passenger duty. At a time when we should be giving a clear message to the rest of the world that Britain is competitive on the global stage, raising APD is a disappointing step. I plead with the Treasury to hold APD and not increase it any more in the future to make sure that we are competitive and that Britain is very much able to operate on the world stage.

4.1 pm

**Chris Ruane** (Vale of Clwyd) (Lab): One of the most eye-catching and long overdue announcements on Monday was the £420 million to tackle potholes. Although I welcome that, the reason we have so many unfilled potholes around the country is the total lack of funding for local government. My hon. Friend the Member for Liverpool, Walton (Dan Carden) reminded us that his local authority has had a 64% cut in funding. The Tory leader of the Local Government Association has said that he expects local government cuts of 80%. That is nothing more and nothing less than the dismantling of the state.

I was elected in 1997 on a platform of “Education, education, education”, but now we have £420 million for potholes and £400 million for education. That is a slap in the face for hard-working teachers, who are stressed and overworked, and who are leaving the profession in their thousands. There is a dire need for further investment in education.

The Secretary of State for Business, Energy and Industrial Strategy, the right hon. Member for Tunbridge Wells (Greg Clark), opened this afternoon’s debate by talking about marine technology. I speak as a North Walian MP who wishes to develop tidal power off the coast of north Wales, from Prestatyn all the way to Conwy, and I saw no encouragement—there was no funding—in this Budget for marine or tidal technology to help develop these new ideas. Wales and the UK have a chance to be world leaders in this technology, and there was nothing in the Budget.

I do not want to be seen as a curmudgeon. I do welcome the £2 billion for mental health. I ask whether it will be ring-fenced, because when extra money has been given in the past it has been spent on physical illness, and not on mental illness and human flourishing. As the Labour chair of the all-party group on mindfulness, I ask that a proportion of that funding be set aside to promote mindfulness in the NHS. It has been freely available since 2004 and the take-up has been minimal. I suggest that some of the £400 million the Government are going to raise from a digital tax—from Facebook and Google—should be ring-fenced for mental health. Facebook admitted in July that its product is having a detrimental impact on the mental health of children and young people all around the world, so this is a fair way of allocating that funding.

Several Members, especially on the Opposition Benches, have mentioned policing, because there is nothing for the police in the Budget. Since 2009, there has been a 90% increase in violent crime in north Wales, and 108 police officers have lost their jobs. Between 2017 and 2018 alone, there was a 28% increase in violent crime in north Wales. The police are trying hard. They have to deal with new issues, such as county lines. We have criminals from Liverpool and Manchester coming along the north Wales coast and into our market towns to sell their vile products and corrupt children and young people.

Many of my colleagues from north Wales have mentioned the north Wales growth fund. As my right hon. Friend the Member for Delyn (David Hanson) said, we were expecting £340 million but have been promised £120 million—far less than we expected. According to the Red Book, of that £120 million, the allocation for

the next three years is respectively £5 million, £40 million and £40 million, not just for north Wales but for three other areas of the UK. Will the Minister say how much north Wales will actually get? I pursued the matter with staff in the Library, but even they are confused. I want some clarity on the funding for the north Wales growth fund. We want the specifics.

In conclusion, many Members present, especially on the Opposition Benches, have said that this is not the end of austerity. Let me misquote Churchill: now is not the end of austerity. It is not even the beginning of the end of austerity. But it is, perhaps, the end of the beginning of austerity. The only thing that will truly end these eight years of austerity is a Labour Government.

4.6 pm

**Maggie Throup** (Erewash) (Con): I am delighted to contribute to the debate and to add my voice of support to those who have already commended the Budget.

I applaud the measures brought forward by the Chancellor to support our high streets. As an MP who represents three towns—Long Eaton, Ilkeston and Sandiacre—and a few villages, all with their own independent shops, pub, cafes and restaurants, I know that the reduction in business rates from April next year and for the next two years will be a welcome boost to them all. With that measure, together with the £675 million set aside for the future high streets fund, the Chancellor recognises that we have reached a pivotal moment in our nation’s consumer history. He is quite right to recognise that we are no longer a nation of shopkeepers, but a nation of online shoppers.

As Ministers begin to establish the new high street taskforce, my plea is that they ensure that cities are not unfairly prioritised over towns. We need to make sure that towns are regenerated as much as city high streets. We also need to look forward and think about what else brings people to our historic market towns—the word is there: market—and support our street markets as well as high streets.

I welcome the plans to publish a refreshed midlands engine strategy next year. That will present us with a fantastic opportunity to cement the region as a hub of trade and commerce, as well as to capitalise on the benefits that High Speed 2 will bring to our region. I want to make sure that there is more emphasis on the east midlands, because I feel that, to date, a lot of the emphasis has been on the west midlands.

I have always been clear that once it is built, HS2 will undoubtedly unlock huge economic benefits for the east midlands in the form of new jobs, as well as providing much-needed capacity on an otherwise Victorian rail network. However, I am not afraid to be frank with Ministers: residents and businesses in my constituency must be compensated in full for the considerable disruption and displacement caused by the construction of the new line.

After my interventions, the Government have already made significant concessions on the extension of the compensation zones, and in some cases they have fast-tracked the process above and beyond what is required by law. We must go further still, and I will continue to make the case to Ministers and to HS2 Ltd for a bespoke compensation package for Long Eaton that takes into account the unique impact that the project will have on my town.

The £2 million of new seed capital to create a new development corporation, announced by the Chancellor in his conference speech at the beginning of October, is the first step to ensuring that we get the project right for local people. I look forward to playing an active role, along with Sir John Peace, chair of the midlands engine, who will lead this new corporation, so that, together we can deliver a financial package to mitigate the impact on my constituents and develop the case for wider infrastructure investment from Government to support the Toton hub, such as a new motorway junction at 25A to relieve traffic trying to head to the M1 and to relieve congestion through Sandiacre and Long Eaton.

Given the action that my right hon. Friend has taken, I am convinced that he shares my ambition for our great region and that he will have heard the case that I have made for further investment to support the communities affected by HS2 and will consider my proposals carefully. None the less, the fact remains that none of these proposals would be possible without a strong economy. Under the careful stewardship of my right hon. Friend the Chancellor and the Conservative Government, and after eight years of fixing the roof, what we see in this Budget is an optimism and a confidence for the future of our great nation.

It is a Budget that provides for lower taxes, higher wages, record employment, a growing economy and new investment in public services. That is what our party offers the British people, and that is what the Labour party would really put at risk.

I am proud to support this Budget on behalf of my constituents. I congratulate the Chancellor on the ambitious, yet pragmatic, approach that he has taken to our nation's finances and I commend it to the House.

4.11 pm

**John Grogan** (Keighley) (Lab): It is a great pleasure to follow the hon. Member for Erewash (Maggie Throup) who spoke with great passion and knowledge about her constituency.

Madam Deputy Speaker, I do not know whether you watch Match of the Day 2 on a Sunday night, but the presenter always ends by saying, "2 Bad, 2 Good", and they choose two bad incidents from that week's football games and two good. I thought that I would adopt the same approach on the Budget—*[Interruption.]* No, I want to be generous and have the two good things.

Let me start with the two bad things. The first disappointment in the Budget is the lack of mention of Yorkshire devolution. Eighteen out of 20 councils, including many of the leading Tory councils in Yorkshire, God's own county, have come out in favour of a One Yorkshire devolution deal. We desperately need it, and an economic case for it has been made to Government. We do not want to balkanise the county into four sub-regions. A lot can be gained in terms of skills, inward investment and exports if we can get a Yorkshire deal.

The Department for Business, Energy and Industrial Strategy and the Treasury have traditionally favoured this plan more than the Ministry of Housing, Communities and Local Government. However, I would like to pass on my congratulations to the Minister for the northern powerhouse. He is on paternity leave and I understand that his second child was born in the last 24 hours.

Hopefully, like many new fathers, he will come back a more mellow man and he will begin negotiations on One Yorkshire.

There is good news for Yorkshire today: Leeds has been chosen as the national base for Channel Four. All Yorkshire MPs will be rejoicing in that. It will be a great boost for the creative industry not just in Leeds, but throughout Yorkshire, and there will be celebrations throughout the county tonight.

One bad piece of news has been mentioned. No fewer than five Conservative MPs have asked for more money for their schools. I do not know what bright spark thought up the term "a little extra", but they will go to their graves with that phrase. As we approach the Christmas season, it is like one of our loved ones giving us a pair of socks for Christmas. We look at them, and even though we would not say it, we think, "Is that all?" That is what many schools are thinking today. I advise Government Back Benchers that, if they are to rebel on anything, rebel on this, because it was the issue that got me a 249 majority at the last election and, unless the Government change their mind on this issue, it will be at the top of any leaflets that I put out if there is a snap election.

Let me turn quickly to two good items. It would be churlish of me, as deputy chair of the all-party group for pubs, not to welcome the freeze on beer duty, and not to welcome the rates measures, which will bring £120 million to pubs. I have an invite for you, Madam Deputy Speaker, and for any Members of the House. By fortuitous chance, we have a reception in dining room A, which I am hosting tonight, to celebrate Yorkshire beers, particularly Timothy Taylor's beers in Keighley. All Members of the House are most welcome to join that celebration. Seven o'clock is well timed for the close of this debate.

The hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) made a scathing attack on the Government's record on carbon capture and storage. In Yorkshire, as in Aberdeen, in 2015 we were looking forward to a substantial project when it was cut. There is good news, however, not in the Budget in particular, but announced just before it—the Government are again looking at carbon capture and storage, and at two clusters of it. The two obvious clusters would be the two areas that lost last time: Aberdeen and Yorkshire.

I want to give some support to the shadow Chancellor for his attitude to tax. We need to be pragmatic. Today, however, the one thing that I disagreed with in the excellent speech from our Front-Bench spokesperson was that the Government side had given up—they have not. They will have to be prised from power, and we have to be careful what we say. I look forward to similar pragmatism as we develop our policies on public ownership of water—we need to pay proper compensation and to have a proper regulator—and on employee ownership. I chaired an employee owned firm, and we need to do better as we develop our policy.

Finally, there could be a snap election. Our party will need a European policy if we defeat the deal that comes before the House. That policy should be to put back the Brexit date to allow the new Labour Government to negotiate a new deal aligning ourselves to the single market and the customs union, with a referendum to confirm that deal.

4.16 pm

**Mr Simon Clarke** (Middlesbrough South and East Cleveland) (Con): Thank you for calling me to speak, Madam Deputy Speaker. I had been misled into thinking that my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) would be next, but I am delighted to be called.

I welcome the Budget and in particular the fact that over 70,000 more people are in work in the north-east than when Labour left office—the equivalent of every man and woman in my constituency. This Budget ensures that there will be more.

The £14 million of direct investment in the South Tees Development Corporation brings the total pledged to the site over the last year to £137 million. Tees Valley Mayor Ben Houchen will now be able to deliver two major new metals projects, which will create 1,500 high-quality jobs. Despite the worst efforts of the Labour party, people recognise that something special is stirring in my region and that new hope is being kindled on the banks of the Tees.

There is social justice, too. The hon. Member for Darlington (Jenny Chapman) mentioned mental health in her speech and I agree with her completely that it is a major crisis for many young people. I would add that £2 billion was committed to mental health in the Budget. That is an important investment, which it is important to note.

On universal credit, a fortnight ago, I visited my local jobcentre in Loftus. The team there were passionately committed to supporting people into work. The billions committed by the Chancellor means that Torsten Bell of the Resolution Foundation was able to state unequivocally that

“the Government’s flagship welfare reform is now more generous than the benefit system that it is replacing.”

On Hallowe’en, let us put an end to the scaremongering that we keep hearing about that vital programme. As a nation, let us embrace the principle that everyone will now be better off in work than on welfare.

We also need to look to the future in other ways. Boldness and bravery must be our watchwords. On housing, the fundamental problem is Government-induced restriction on supply. Delivering demand-side policies without addressing the artificial constraints on the availability of land will serve only to increase taxes and inflate housing costs still further. Last month, in my paper for *Freer*, I called for us to lift the restrictions on development within half a mile of stations in the green belt.

**Norman Lamb** (North Norfolk) (LD): The hon. Gentleman mentioned the Resolution Foundation. Does he also recognise that it identified that better-off households, the top 10%, will be £410 a year better off, whereas the poorest households will only gain £30 a year? Does he support that?

**Mr Clarke:** I support tax cuts for hard-working people throughout our country. They had to put up with the highest burden of taxation in this country for generations.

To go back to housing—I am conscious of time—the small release of land that I am proposing would create enough land supply for at least 1.5 million new homes, while leaving 98% of all existing green belt land entirely untouched. Indeed, the remaining area of the green belt would still be over 115% larger than it was in 1979.

There is growing cross-party consensus on this topic. I pay tribute to the campaigning work by the hon. Member for Mitcham and Morden (Siobhain McDonagh). We should also be looking at innovative proposals such as those from London YIMBY, which set out how we could empower individual streets to set their own design codes and build upwards rather than outwards.

We also need to look to Brexit. We must stop looking at our leaving a dysfunctional and anti-democratic EU as a problem to be mitigated, rather than as an opportunity to be seized. Trying to cling desperately to the skirts of the customs union is frankly unworthy of the world’s fifth-biggest economy. The announcement that there will be a special economic area in the Tees valley is genuinely welcome news. I hope that it will become the first free port in the UK after Brexit, and, indeed, the first of many. But if that free zone is to be a success, it will need meaningful powers. I refer Ministers to the speech I gave in Westminster Hall in the debate I secured with the right hon. Member for Birkenhead (Frank Field). As we sit here today, we do not know the precise nature of our future trading relationship with Europe. I can say with confidence, however, that half measures and a lack of national self-belief must be rejected utterly as we forge our new path in the world.

4.20 pm

**Marsha De Cordova** (Battersea) (Lab): Eight years of punishing austerity have had a devastating effect on people across the country, and I see it in my constituency surgeries every week. I see it in the parents who tell me that they fear for the safety of their children because violent crime is rising. For them, austerity for policing has seen nearly £1 billion cut from the Metropolitan police, with neighbourhood police officers disappearing from their streets. I see it in the families who are crammed into overcrowded homes. For them, austerity has meant no new council homes. I see it in the nurses who tell me they once really loved and enjoyed their job but are now brought to despair by being overworked. For them, austerity for the NHS has seen its slowest funding growth in its history. I see it in the disabled people who tell me that they have been driven to poverty and anguish, unable to afford basic necessities. For them, austerity for social security has seen support taken from them.

Those people are seeing some of the consequences of austerity. The Prime Minister promised that austerity was over, but this Budget breaks that promise—it is a broken promise Budget. The Government claim that this is an economy for everyone and that their cuts to social security are “fake news”. But is it fake news that almost 1 million disabled people will be worse off as a result of universal credit, according to the OBR; or that a single disabled person in work could be made £300 worse off a month; or that, despite the 12-month grace period, the minimum income floor will negatively affect some disabled people?

The Government claim that they are spending more than ever on disabled people, but we know that disability social security spending has shrunk by £5 billion over the past decade. The Chancellor has barely reversed half of the cuts to work allowances, and he has done nothing to mitigate the five-week wait facing disabled people claiming universal credit. His Budget does nothing to solve the burning injustices faced by so many disabled

people—and there are £7 billion-worth of cuts to social security still to come. The Budget does nothing for families who need social security to get by, with no change to the social security freeze or the two-child limit.

Austerity is not over for social security, and austerity is not over for policing. There is not an extra penny for normal, everyday regular policing. Austerity is not over for education. There is not an extra pound for the day-to-day costs of schooling. Austerity is not over for local government. There is nothing to close the nearly £8 billion funding gap that will exist by 2025. The money promised for the NHS is “simply not enough”, according to the Health Foundation. Austerity is not over.

According to the Chancellor, even the sticking plasters in the Budget are dependent on the Government’s Brexit shambles not causing a disastrous no deal. The grim truth of austerity is that it fails by not only the standards of social justice, but its own narrow standards. The Chancellor now claims that getting the deficit down by 2024 is some sort of achievement, hoping we forget that it was meant to be eradicated by 2015. Let us remember that this Government have missed every fiscal target they have set themselves, with the slowest post-crisis economic recovery on record. The UK is now the only major global economy in which investment is falling. Low growth, low investment and low pay—that is the record of their austerity. What makes austerity all the more painful for so many of my constituents is that, while their public services and social security are cut, the super-rich and corporations have had a £110 billion handout in tax giveaways. It is austerity for the many and abundance for the few.

4.25 pm

**Ben Bradley** (Mansfield) (Con): It is a pleasure to follow the hon. Member for Battersea (Marsha De Cordova). I am pleased to have the opportunity to speak in today’s debate and to welcome this Budget, which is a positive one for my constituents in Mansfield and Warsop.

It was not a major headline, but I was especially pleased that the Government committed in the Red Book to support communities to make the most of their local assets, including village halls and miners’ welfare facilities, and that the Treasury has listened to my representations on that subject. Only last week in Westminster Hall, I asked the Government to support miners’ welfare facilities and boost funding for their upkeep, particularly for sports facilities. During the debate I spoke of the importance of those facilities for coalfield communities, especially in terms of sports provision, as they exist in areas that generally top the statistics in terms of poor health and inactivity. Help to manage and improve those facilities, which were once the heart of coalfield communities, can bring them back to life and get more people engaged in sport and physical activity, which will save money for our local services and the NHS.

The future high streets fund is a great initiative. Mansfield town centre is a huge local priority of mine, with some brilliant local shops on the high street. I hope that the availability of this funding to support positive and regenerative plans will add further pressure to my calls for Mansfield District Council to pull together a proper plan and vision to regenerate the town centre.

The Chancellor’s commitment to help small shops by cutting business rates by a third for small retailers is also great news for Mansfield. It will mean an annual saving of up to £8,000 for up to 90% of all independent shops, pubs, restaurants and cafés and can help us to fill high street lettings, to give much needed breathing room to small businesses and to assist in bringing people back to the high street. In next year’s comprehensive spending review, I would like to see the Treasury go further and undertake a fundamental reform of business rates. It is a 20th-century tax in the 21st century, and we need to look at it more closely. Those two announcements for town centres are very welcome and will no doubt receive widespread support from my constituents.

The other key issue addressed in the Budget is the cost of living. Thanks to careful management of the economy, we were able to announce that the personal tax allowance threshold will be raised a year early, letting people keep more of the money they earn and helping with the cost of living. Combined with the rise in the national living wage, that means that full-time workers in my Mansfield constituency, where so many people have low incomes, will see over £600 a year more in their pockets. That is so important for normal people who are trying to get by and do right by their families, and I am pleased that this Government have put them at the heart of this Budget.

Nobody should pretend that anything is perfect, so there has to be something that I would have liked to see in the Budget. If I have one criticism of the Budget, it is that, while I have seen examples of where the additional one-off support of £400 million for schools can be utilised in a positive way in my constituency—I can think of several primary schools I have visited that will relish the prospect of kitting out their library properly or investing in new IT for students—we need to focus more on what should always be the No. 1 priority, which is educating our young people for the future. I hope that the comprehensive spending review in the new year will seek to address that. However, it is not always about splashing the cash. There are a number of ways in which we could help. I have put forward proposals to the Treasury on helping schools to reduce their building and maintenance costs, for example.

Plans for investing in our mental health services and social care are good news. I particularly welcome the announcement that the use of PFI for future projects such as hospitals and schools will be abolished. The Labour party agreed nearly 90% of all PFI contracts. King’s Mill Hospital, near my constituency, is one of the most expensive examples in the country, frittering away taxpayers’ money and ultimately making it harder for the NHS trust to manage its budget. It is great news that that will not be allowed to happen again. That is part of Labour’s legacy, along with high unemployment and trapping people on benefits, and this Government are working to address those issues.

Universal credit is a key component of that change. It was positive to hear about the transitional funding to support the migration process and that working people on low wages will get an additional boost through the new money announced by the Chancellor. I thank him for that, as it will be a particular help to people in my constituency.

When we came into government, the country was borrowing over £150 billion a year and unemployment had increased by nearly 500,000. Britain had suffered

[Ben Bradley]

the deepest recession since the war and we had the second biggest structural deficit of any advanced economy. Now, more people are in full-time work, unemployment is lower in every region of the UK, and wage growth is at its strongest for 10 years and is predicted to keep growing. As a party, we should be focused on cutting taxes, putting that money back in the pockets of hard-working people, and giving them the opportunity to succeed on the basis of their own talent and hard work.

As we leave the EU, we should grasp those opportunities, be proud of our businesses and industries, as the Secretary of State set out, and invest to secure our status as a world leader in so many areas. We must be able to export that leadership to the whole world to ensure the economic growth that Conservative Members know leads to jobs, wage growth and prosperity for the whole of the UK.

4.30 pm

**Anna Turley (Redcar) (Lab/Co-op):** Britain as a country is becoming more unequal and whole communities are being left behind. In the real lived economy as experienced by my constituents, there is a sense that things are getting harder, not better. Although we have heard all week from Ministers about the number of new jobs in the economy, if we listen to those in my community, they will tell us that work has become more insecure, more temporary and less well paid, with fewer rights and longer hours. For many people in Redcar and elsewhere, no matter how hard they work for how many hours and however many jobs they take on, work is not paying.

Eight years of austerity have ravaged communities such as mine. The Tories said that those with the broadest shoulders would bear the greatest burden of austerity. Well, that turned out to be a deceit, as it was communities such as Grangetown, South Bank, Redcar and Eston that bore the brunt of the bedroom tax, the welfare cuts, fewer police keeping our streets safe, NHS walk-in centre closures, fewer buses and, ultimately, the closure of our steelworks. With universal credit coming to Redcar and Cleveland for full roll-out on 28 November, the five food banks that have been established in my constituency under this Tory Government are preparing themselves for a surge in demand for food parcels.

The dire warning from history is that if people feel their political and economic system has broken its obligations to them, they will turn to extreme alternatives. The global financial crash has heralded a rise in populism across the globe—in the USA, across Europe, and in Brazil this week. I would put UKIP and the hard-core Brexiteers in the same boat. I represent a constituency that voted for leave in the EU referendum in 2016, and my firm conviction is that the underlying causes of that snapshot of opinion two years ago were economic. Many people felt then, and feel now, that the economy is not working for them and their families. There is a strong sense that London and the south-east is sailing ahead, while towns in the north get left behind.

The old industrial jobs on Teesside are disappearing—no more the scores of thousands of jobs for young people leaving school at ICI, at Tees dock or in the steelworks that lined the river. Those jobs are gone and that security has gone, and what new jobs have replaced

them are low paid and unstable. Of course, the final blow for us was the closure of the SSI—Sahaviriya Steel Industries—steelworks in Redcar in 2015, ending 175 years of steel making. It was not just the loss of over 3,000 skilled jobs; it was the loss of pride, dignity and hope, and the sense that the Government just did not care. No wonder my constituents shouted out in rage in the 2016 referendum.

What is the answer? One thing is for sure: it is not simple enough to be written on the side of a bus. The solution is certainly not a hard Tory Brexit. Crashing out of the EU with our trade deals in tatters would be a disaster for the remaining industries and the small businesses in Redcar, and I will oppose it. A slump leading to a recession leading to misery is not what people voted for, and I will not enable it.

Is a continuation of austerity the answer? No. Cuts to public services have slowed down our recovery. Austerity has ruined lives, and made our society more divided and our communities more brittle. We need to invest in public services and to borrow the money to do that. We need a massive injection of investment: more teachers, doctors, nurses, mental health specialists, police officers, firefighters and social care providers. Redcar and Cleveland Council needs the money it has been denied since 2010 to deliver the services people deserve. Taking £90 million away from local services has consequences for people's lives.

This Budget did not deliver on anything that is needed on the scale required. The solution we need to bring our country back together is for the Government to invest in and prioritise communities that have been left behind and that roared in anger two years ago. Teesside has so much potential, and it is ready to be at the forefront of a new modern industrial renaissance. This is where we really needed support in the Budget, but £14 million does not come close to the £200 million needed to clean up the whole former SSI site. Civil servants were very quick to email straight after the Budget to say that this £14 million has not even been confirmed and is subject to making a business case to the Government.

I welcome the new powers, but the question is this: what exactly is a special economic area and how does it differ from the existing enterprise zones, of which there are already plenty in Teesside? If its only powers are to allow the development corporation to keep business rates, then that is nothing new, as councils will be able to do that from next year anyway. Does that mean that rates on the site will now go to the development corporation and not to Redcar and Cleveland Council? If so, local people are paying once again to fill the gap because the Government will not pay to clean up the mess they have left on the site. I have no doubt that the Government should pay—they closed the site, they rejected offers to keep it going and three months later they stepped in and took a stake in Port Talbot.

I am deeply worried by how little we saw in the Budget for Teesside. We have the potential on the site not just to turn things around for the people of Redcar and Teesside but to show the way on the sort of economy we could have in this country: a leading hub for green industries, creating jobs and helping us meet our climate change targets, carbon capture and storage, hydrogen economy, recycling and energy generation. We have a great future in Teesside—the brains, the hearts and the hands. We can make it happen.

4.35 pm

**Douglas Ross** (Moray) (Con): I have sat through the entire debate and thoroughly enjoyed it. There is only one other place where I would like to be today: joining the pupils of Logie Primary School on their beach clean. On Friday, I visited the pupils and staff there, and along with questions about how old I was and whether we could buy some more helicopters, I was asked whether I would join them on that school visit. I had to say that unfortunately I could not, as I was speaking in the Budget debate, but that the least I could do was mention them and their school, which just yesterday received such a glowing Education Scotland report, in today's Budget debate. I have now done that.

I want to raise a few issues, but before that I would like to mention some of the contributions from Scottish National Members since Monday. It all started with the boorish behaviour of the right hon. Member for Ross, Skye and Lochaber (Ian Blackford)—we had to endure his 30 minutes. I thought that was bad enough until I listened to the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry). The hon. Gentleman was not only boorish, but inaccurate: he said that Scotland's block grant had been cut as a result of this Budget. Yet as I said in my intervention, between this year and next, the Scottish Government block grant will go up in both real and cash terms. That is what is happening to the Scottish Government block grant as a result of this Conservative Government—up £866 million in cash terms and up £381 million in real terms: that is this Westminster Government delivering for Scotland.

I want to focus on a couple of issues in the short time I have. The first for me, as the Member of Parliament for Moray, representing 40% of all Scotch whisky distilleries, is, of course, the freeze in spirits duty. I am delighted to see the Financial Secretary to the Treasury on the Front Bench. He gave me an extremely positive response during Scottish questions on how important it would be for the Government to deliver a positive Budget for Scotch whisky, and the Government have done that. Earlier, the Exchequer Secretary to the Treasury was on the Front Bench; I was delighted to host him in Moray—we went to visit a distillery. The Chief Secretary to the Treasury came to Moray and we visited another distillery. I have also raised the matter personally with the Chancellor of the Exchequer. The only one in the Treasury I did not raise it with was Gladstone the cat—everyone else has heard from me and my Scottish Conservative colleagues about how important freezing spirits duty is for the Scotch whisky industry. That industry has repaid our trust: in the past five years, there has been £500 million of capital investment in Scotch whisky distilleries—that is how the industry has reacted to positive announcements in this Budget and the freeze last year as well.

I also want to thank the Chancellor for the mention of the Moray growth deal in his Budget statement. I have campaigned for that since my election as Member of Parliament. Following the announcement on Monday, I was delighted to see apprentices from Moray unveil a plaque in Cooper park, made from materials from their various trades, saying “MGD”—Moray growth deal—“under construction”. The green light from the Chancellor at the Dispatch Box during his Budget statement has been really well received in my local area. I look forward to working with the Moray growth deal business assembly chair, Michael Urquhart, and all the people, across

parties, involved in securing that deal. I have spoken to Treasury Ministers and others about it, and I am excited about the future.

I could talk about many other positive things in the Budget, particularly the increased investment in defence, given that my constituency is home to RAF Lossiemouth and 39 Engineer Regiment at Kinloss. That is extremely important for us in Moray.

I commend the Budget, because it delivers for Moray and it delivers for Scotland. I can only hope that the Scottish National party, when it comes to the Scottish Government's budget later this year, can deliver in the same way. Sadly, previous experience does not bode well. They have made Scotland the highest taxed part of the United Kingdom. With almost £1 billion extra in this Budget going from Westminster to Holyrood, I hope they will deliver for their areas as this Government have delivered. Sadly, in the past they have decided to cut the amount of money going to Moray Council, and cut the amount of money going to health boards in the north of Scotland. That does not bode well. The ball is in their court to use the extra resources from the Westminster Government.

4.40 pm

**Phil Wilson** (Sedgefield) (Lab): I want to take this opportunity to raise three issues that are of particular importance to my constituents. First, however, we have a Budget that still predicts lower economic growth over the coming years and puts us near or at the bottom of the international growth leagues—and that is without the impact of Brexit. From a hard Brexit to a soft Brexit the economy will be hit, impacting on the UK's ability to grow its economy. Even the Government's own impact assessments show that under whatever deal the Prime Minister negotiates we will be worse off, especially in the north-east of England where almost two thirds of our trade is with the EU. According to the Office for Budget Responsibility, business investment is down since the referendum.

The Brexiteers' chief economist, Sir Patrick Minford, has said that the car industry will need to be run down, impacting on the thousands of jobs in the north-east and around the country that are reliant on that industry, because, in his words, “these things happen”. In my view, the loss of thousands of jobs is not a price worth paying for Brexit. That is why, when we find out what the final deal is, it should be put to the people in a people's vote, so they have the final say on this once-in-a-lifetime decision.

One local issue pertinent to my constituents and the Budget is the provision of GP services. The lack of GPs is a national concern that is now impacting on our local communities. Skerne Medical Group, which is currently consulting on the future of its provision in Sedgefield, Fishburn and Trimdon, is at the forefront of the crisis. It is putting in place a four-year review of its future services. Skerne Medical Group's surgeries in Sedgefield, Fishburn, and Trimdon Colliery are part of that review. The Trimdon Village surgery is not and faces closure. I believe that it should be a part of the review, but I understand the challenges faced by the Skerne Medical Group. For all the increases in the NHS budget, we found out today that public health services and the education and training of nurses and doctors will be cut by £1 billion next year.

[Phil Wilson]

Professor Anita Charlesworth, director of economics and research at the Health Foundation, has said that although more money has been made available for the NHS

“there is a big risk that it won't feel like that in hospitals and GP surgeries over the coming years”.

In 2015, the Government promised to recruit 5,000 additional GPs over five years up to 2020. Now that deadline has been changed to “as soon as possible”. In fact, it is worse than that. In 2015, there were 34,500 GPs, but the latest figures for June 2018 show that there are now 33,163—more than 1,400 fewer GPs than when the target was set. A medical school has been opened at Sunderland University. It is envisaged that 50 students will enrol next year, with an increase to 100 by 2020. That is good news, but how many will stay in the region once they have been trained? The crisis in GP provision in my constituency and elsewhere is now, and the Government need to address the problem now.

Universal credit continues to be a problem. The Children's Society indicates that even after the additional funding announced in the Budget, the reduction in work allowances under universal credit, introduced in April 2016, will cost families about £2,460 a year. I am still concerned about the design of universal credit. It is causing many practical and frustrating problems for many of my constituents. For example, one constituent, a woman working 25 hours per week as a cleaner, is a single parent to a young child in primary school, so she needs to be around for childcare. She had a change in circumstances, so was moved on to universal credit. There was a delay in her first payment as her claim was not processed correctly, so she had to resort to visiting a food bank. She received an advance payment, but now her claim settlement leaves her with too little to live on after paying her rent. She is much worse off after moving from tax credits to universal credit. People will say that austerity has come to an end, but the examples of GP surgeries and what we face with Brexit and universal credit proves that it has not.

Finally, on town centres, Newton Aycliffe in my constituency is home to a small shopping centre. The owners have spent several million pounds on improving the environment and have won awards in doing so, but there are still empty shops, like in a lot of town centres around the country. A £675 million future high streets fund therefore seems like a good idea, but we need details of how that money will be spent. Are hard-pressed local councils expected to pick up the tab? If so, renewing our town centres will end up only competing with the other demands on shrinking local authority budgets. Not only has austerity not ended, but neither has the smoke and mirrors used in the Budget.

4.45 pm

**Jack Brereton** (Stoke-on-Trent South) (Con): As the subject of today's debate indicates—business and the future economy—what is most striking about Monday's Budget is how forward-looking it is. After eight years of hard work to get out of the mess that was left by Labour, Conservative Members can focus on measures that will take our economy forward—measures that will support working families in my constituency of Stoke-on-Trent South to have more money in their pockets, keeping more of what they earn and reducing the

burdens of tax for businesses, especially on our high streets. Of course, predicting exactly what our future will look like is impossible, which is why the inflexible, restricted, centrally planned economies such as those of Corbynistas' Venezuela completely fail, and responsive, dynamic, free enterprise economies are more resilient.

Investment in new technologies and innovation will build on the Government's long-term commitment to R&D. The allocation of £1.6 billion in this Budget to strengthen the UK's global leadership in science and innovation is hugely welcome. This ensures that we remain at the cutting edge to compete internationally, none more so than in the ceramics industry and, especially, in advanced high-tech ceramics products, where I am afraid that we are behind our competitors, including the US, Japan and other developed economies. We must invest in projects such as a UK research centre for ceramics to retain this international competitiveness and to help cities such as Stoke-on-Trent to embrace more of these new technologies.

Far from being industries of the past, modern advanced manufacturing is reviving so-called post-industrial localities. Since 2010, the ceramics industry's economic contribution has increased in real terms by 44%, but this is not unique to ceramics. A whole range of industries in Stoke-on-Trent are doing exceptionally well. Whether in precision engineering, automotive supply or distribution, we are seeing companies succeeding and delivering for our communities. In a city where over 15% of employment is in manufacturing—nearly twice the national average—the success of these industries is critical to our future prosperity.

Investment must truly be investment, however, and not merely spending. It is certainly more important that public policy does not crowd out private investment or erect barriers to enterprise. It must help to catalyse further successes and strengthen the strong growth that we have seen in prosperity and jobs. Workers will share in the benefits of growth, whether through boosting the national living wage to £8.21 per hour or increasing the personal tax allowance to £12,500 a year early. This is about ensuring that families in cities such as Stoke-on-Trent have more money in their pockets.

In Stoke-on-Trent, the local partnership between public and private sectors has moved the city forward since the Conservatives took control of the local council, jointly with independents, in 2015. I was therefore pleased to see on page 66 of the Red Book an explicit reference to Stoke-on-Trent as a shortlisted city for the transforming cities fund, because fully realising the city's ambition requires us to improve our transport infrastructure. This is a fundamental requirement for improving labour mobility in the city, increasing productivity and decreasing the time lost to and the misery of daily congestion. This funding will help to ensure that we are better connected as a city, making better use of our rail network and ensuring that our bus network improves significantly to connect all our communities. This comes alongside the £420 million pothole fund, which will build on the significant work the local council has already done.

On high streets, Stoke-on-Trent is unique in comprising six market towns and has a significant number of Victorian and Edwardian properties that are structurally sound but none the less in quite a poor state. Far too many are not suited to meet the demands of modern retail and the challenges of online and out-of-town shopping, so



I have been pushing Ministers for a dedicated fund for regeneration, restoration and conversion, and I am delighted it has come about. As I have argued, measures to increase footfall in town centres such as Longton and Fenton in my constituency, including increasing the number of residents and new businesses, are critical. Some 25% of employment in Stoke-on-Trent South is in wholesale and retail, so the relief on business rates for small retailers and the fund for high streets will be especially welcome in Stoke-on-Trent.

4.50 pm

**Steve McCabe** (Birmingham, Selly Oak) (Lab): The Chancellor tried hard, but I have a feeling we will all be back here in the spring and that Monday's event will look largely irrelevant. The mantra now is that the pain and suffering has been worth it, but according to a recent study, only 8% of my Selly Oak constituents share the Chancellor's view that the years of austerity have been worth it, particularly when they reflect on the damage to infrastructure and public services. Eight years of austerity have not cleared the deficit and the Tories no longer promise a budget surplus. In fact, it seems the new Tory norm is to settle for a deficit of around £20 billion a year.

I welcome the review of the worldwide light vehicle test, but a bigger man might have acknowledged that it was his premature decision on vehicle excise duty that sent entirely the wrong signal about clean diesel engines and threatened the job prospects of thousands of Jaguar Land Rover workers in Birmingham and the west midlands. He might also have recognised the £110 million loss of revenue resulting from untaxed motor vehicles on our roads.

We could upgrade vehicle number plates so that they electronically reveal the tax and insurance status of all vehicles on our roads, and we could use automatic number plate recognition technology to maintain this, while reducing car crime and saving police time. With recorded crime at its highest level for 13 years and less than 9% of recorded offences resulting in someone being charged, there has never been a better time to be a criminal. Why is the Chancellor not interested in collecting revenue and cutting crime?

We are asked to welcome the Chancellor's digital tax, but it will raise about £400 million a year, which is 0.7% of what corporation tax raises. If he had postponed the 2% cut in corporation tax, he would have had another £5 billion for policing, education or children. At 19%, our corporation tax rate is still the lowest in the G20, apart from Switzerland and Singapore. Almost half his tax cuts benefit the top 10% of households. It is true that 26 million basic rate taxpayers will gain an average £20, but 4 million higher rate taxpayers will gain 11 times that. While food bank use has doubled, he has added £1 billion over five years to universal credit but seems to have forgotten that three quarters of the £12 billion of welfare cuts announced in 2015 remain Government policy. Among the cuts he has forgotten are next April's £1.5 billion benefit freeze, which will cost a couple with children at the lower end of the income scale £200. Those are Conservative priorities.

The cut in the apprenticeship levy for smaller firms is welcome, although I would like to know when it will be introduced. Is it still April next year; is it being delayed;

or will it only apply to new starters? And what has the Chancellor done to incentivise providers to engage with groups that are grossly under-represented in the apprenticeship figures?

I welcome the business rate rebate for small retailers, but how much of a boost will £30 to £100 a week be to a struggling newsagent or publican in Selly Oak, and who will really benefit from the future high streets fund? It is spread so thin that it will not reach most places. I doubt this Chancellor has ever even heard of Stirchley High Street. What we need is some action on the absent landlords, often London-based, who spend so little on the maintenance of these shops and charge exorbitant rents that go hand in hand with excessive business rates. Of course, all this needs to be viewed against the background of a situation where nothing has been done to combat retail crime, and even shoplifters are no longer even arrested. Retail crime is costing us at least £700 million a year. That is another consequence of reckless cuts to policing and the criminal justice system; it is just as big a problem as anything else.

I do not think that the Chancellor really wanted to deliver this Budget; he just got boxed in, just as he is boxed in when it comes to making the real decisions that would benefit the economy; but the ideologues do not care, and that is why we are ignoring our schools, dismissing crime, forgetting our children's services and ignoring the WASPI women and everything that would make a difference to this economy.

4.55 pm

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): I rise to speak in this Budget debate, concerned about the unfairness that this Budget has created in this country—concerned that for one part of the country, there remains no tax cut for hard-working people; concerned that in one part of the country, the measures unveiled to support our high streets and SMEs are not being replicated, extra measures to help young people on to the housing ladder will not apply and the potholes will remain unfilled. I speak, of course, of the north-east of Scotland, which suffers under a central-belt-biased, economically illiterate, ideologically dogmatic, anti-aspirational, anti-wealth-creation, anti-business, distracted Administration, who punish the strivers and the grafters while we in the Conservative party reward them. Nurses, doctors, teachers, policemen, entrepreneurs, small business owners, the people that get up at the crack of dawn to open the shops in rural Deeside or Donside and the guys and girls who take off from Aberdeen airport to spend two weeks offshore doing hard, sometimes backbreaking work to maintain our energy supply are punished and taxed more, simply by virtue of living in Scotland. They are the people who this Government—this Conservative party—are committed to supporting.

The SNP's decision not to match our plans to raise the threshold for the higher rate of income tax means that hard-working people in Scotland will be £1,000 worse off than their counterparts south of the border—£1,000 worse off for doing exactly the same job in the same country. Well, the Scottish Conservatives say, "Enough!" Today, we call on the SNP Administration to match this Government's commitment to those who deserve a break and pass on this tax cut to the Scottish people.

[Andrew Bowie]

It is safe to say that, in terms of totemic industries in Scotland, fishing and whisky are probably up there. Add to that brewing, and it makes for quite a good Friday night. All the above are reaping the benefits of decisions made by this Government and in this Budget: beer duty frozen, spirits duty frozen, and for the fishing industry, as we look towards that sea of opportunity that leaving the EU will bring—remembering, of course, that the SNP would have us back in the common fisheries policy—we welcome the £10 million of investment from UK Research and Innovation.

Of course, by far the biggest industry for the north-east of Scotland is the oil and gas industry, and far from the doom and gloom espoused by the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), the sector has made it clear to us that the UK Government's support over the past four to five years has been crucial to ensuring its survival, as it was buffeted by the winds of dramatically fluctuating oil prices and the longest sustained downturn in the sector's history. The £2.3 billion of support from this UK Government since 2014 has been welcomed—[*Interruption.*] I would love to hear it welcomed by the hon. Gentleman; perhaps that is what he is trying to say from a sedentary position. I am not sure. That support has been welcomed by an industry that has contributed over £330 billion to the British economy, that supports over 330,000 jobs across the United Kingdom and that has a supply chain worth nearly £30 billion, stretching into every nation and region across our islands—servicing domestic activities and exporting almost £12 billion of goods and services to other basins around the world. It is a shame that the Scottish National party does not support it as the Scottish Conservatives do. That is why I and the wider oil and gas industry and the subsidiary industry that I represent have welcomed this Government's decision not to increase tax and welcomed its commitment to maintaining fiscal stability.

**Drew Hendry:** You have done nothing.

**Andrew Bowie:** Exactly; we have done nothing. That was what the oil and gas industry was asking us to do. They want stability. Indeed, Oil and Gas UK has stated that the fiscally stable regime implemented and overseen by this Government, combined with our support for the sector and the industry's own huge strides forward in cost cutting, slashing waste and pooling resources, has made the UK continental shelf one of the most attractive basins in the world in which to do business—something that we would not know from listening to the hon. Gentleman earlier on.

This was a great Budget for the people and businesses of the north-east of Scotland. Oil and gas, spirits producers, brewers and the fishing industry have all benefited from this Government's decisions.

In Scotland, we have two Governments, sadly, and the contrast could not be starker. [*Interruption.*] Well, it is sad in terms of who is in government in Edinburgh. One is a nationalist Government, governing for their own base, focused on the central belt, focused on raising taxes, punishing aspiration, creation division and fostering grievance. The other is a Unionist Government, governing for the whole United Kingdom, backing business, rewarding hard work and supporting growth and aspiration. One is

focused on ripping up our country, the other on growing it and helping our people grow with it. That is what this Government do, and that is what this Budget does, and that is why I am pleased to back it today.

5 pm

**Dan Carden** (Liverpool, Walton) (Lab): It is a pleasure to speak in this debate on behalf of my constituents, and I am going to draw on some of the words of one of my greatest constituents, Robert Noonan, better known as Robert Tressell, buried in a pauper's grave in Rice Lane City Farm in my constituency of Liverpool, Walton. He is the author of that great socialist manuscript "The Ragged Trousered Philanthropists", which tells the story of a group of painters and decorators—as he was himself—struggling to make ends meet in a rigged system. His work has been credited with helping the Labour party win the 1945 post-war election.

This Budget is full of modern-day money tricks, which I will come on to, but the great money trick in "The Ragged Trousered Philanthropists" starts with the characters, painters and decorators working at the turn of the last century discussing the causes of poverty. The painter Frank Owen intervenes. "Money", he says, "is the cause of poverty",

and what follows is a demonstration of "the money trick", one of the finest passages of comic political prose in English literature.

Owen takes his slices of bread from his lunch basket and asks all the men for their bread, which he places in a heap, saying

"These...represent the raw materials which exist naturally".

He pulls out some pocket-knives, and says that they are the means of production. Owen says:

"I represent the landlord and capitalist class. That is to say, all these raw materials belong to me... Now you"—

maybe the Members opposite—

"represent the working class: you have nothing."

But, he goes on, in order to turn his raw materials into something of use, we need work:

"I have invented the Money Trick to make you work for me."

Owen hands the bread and knives to the men. They cut the bread into blocks, and return them to Owen. The workers receive their wages—of £1. The money they earn is their own, to do with as they like, and the things they produce are now the property of the capitalist class. Owen says of his blocks of bread:

"These blocks represent the necessaries of life. You can't live without some of these things, but as they belong to me, you will have to buy them from me: my price for these blocks is—one pound each."

The cycle continues: Owen's blocks of bread—his profits—pile up, the rich getting richer, while the poor exchange their wages for the necessities of life, all the time staying poor. In Tressell's masterpiece, the workers are the "philanthropists," giving the value of their work to the rich who benefit from a rigged system.

Since those words were first written more than 100 years ago, there have been huge steps forward for working-class people and their rights, hard-won by the struggle of trade unions and the Labour movement. But the truth is the same today as it was then, because working people are not responsible for poverty. This is a broken system, that inflicts poverty, inequality and human misery, and it needs reform. We have had the longest squeeze on

wages since the Napoleonic wars. Today's young people are set to be poorer than their parents for the first time in modern history.

This week, we heard the Chancellor come up with some of his own money tricks to mask this Government's economic failure. He suggested that Labour had caused the global financial crisis. There have always been deficits and borrowing; the Tories ran them for 18 years when they were in government. The 2008 global financial crisis caused a global recession. It was not investment in schools and hospitals that crashed the economy; it was the greed and recklessness of a deregulated financial sector. Let us take another example: the so-called jobs miracle. This involved boasting of record levels of employment while saying nothing about the phenomenon of insecure, low-paid and bogus self-employment. Wages are lower today than they were 10 years ago, and some of my constituents are doing three, four or five of those jobs to make ends meet. Today, the majority of people in poverty in this country are also in work. What an absolute disgrace!

This Government cannot trick their way out of this crisis. Poverty and deprivation can be seen on the streets of Liverpool every single day. Robert Tressell's novel is full of tragedy and despair, but it also offers a glimmer of hope. In a chapter entitled "The Great Oration", Tressell describes the creation of a new kind of society: the co-operative commonwealth, based on shared ownership and worker self-management. I think that the shadow Chancellor has read it. That is called socialism, and it is about time we redoubled our efforts to attain it.

5.5 pm

**Kevin Hollinrake** (Thirsk and Malton) (Con): It is a pleasure to follow the hon. Member for Liverpool, Walton (Dan Carden). I look at self-management slightly differently, in that I have been in business for most of my life. I draw the House's attention to my entry in the Register of Members' Financial Interests. I rise to commend many of the policies in the Budget, and particularly its support for small and medium-sized enterprises. For many years, I also played rugby union for the York Railway Institute, and I look back fondly on those times. However, there were one or two clubs at which I did not enjoy playing quite so much. One in particular was Halifax Vandals, where the ground sloped at what seemed like 45° from one set of posts to the other. Trying to get out of the low-end 22 seemed virtually impossible, particularly with the additional challenge of a head wind and ankle-deep mud. At least it was the same for both sides, but for many SMEs, there is no half-time turnaround. They seem to face a consistent uphill battle with head winds that many big businesses do not have to cope with.

An example of this involves some of the digital businesses, which spend an average of 0.6% of their turnover on business rates, compared with high street retailers that spend around 2.3%, according to the Centre for Retail Research. SMEs also compete with the likes of Amazon, Apple, Google and Facebook, which are able to shift either sales or profits to the lowest corporation tax jurisdiction to avoid paying their fair share of tax while still revelling in their claims to do no evil and in their corporate social responsibility credentials. I therefore welcome the Chancellor's commitment to business rate reductions for smaller businesses and the

introduction of a digital services tax. Our job here is to level the playing field—not to pick winners—and his actions are doing exactly that.

The other area in which SMEs are at a critical disadvantage is when they are in dispute with their bank. It is now abundantly evident—particularly since the Treasury Committee released the full report on the RBS global restructuring group scandal in February 2018—that banks took businesses apart and stripped them of their assets to replenish their own balance sheets. Thousands of viable, significant and substantial businesses were involved. There were similar occurrences at Lloyds and others, yet incredibly, we leave the victims at the mercy of these very banks when they claim for compensation and consequential loss.

The Financial Ombudsman Service has very limited jurisdiction, with a maximum compensation level of £150,000 and limited competence to adjudicate such claims, and the courts are simply out of reach. Lloyds bank, for example, has a £1 billion per annum budget for legal fees. It is impossible to get justice in court against a high street bank. The proposed extension of the Financial Ombudsman Service is to be welcomed, given the vital improvements to its level of competence, but all four of the major reviews of bank dispute resolution over the past year—from our all-party parliamentary group on fair business banking and finance, the Treasury Committee, the Financial Conduct Authority and the Walker review—have concluded that there will still be a gap in the access to justice. Around 86% of businesses will not have access to justice, even with the Financial Ombudsman Service's extended jurisdiction, and the lack of confidence between banks and businesses will mean lost start-up and scale operations, which will damage our economic prospects.

Three of the four reviews support the establishment of a financial services tribunal that would work in a similar way to an employment tribunal in that the claimant would not suffer the costs of the defendant—the bank—should they lose. That simple but effective measure is supported by the all-party parliamentary group on fair business banking and finance, the Treasury Committee, the Financial Conduct Authority, the FSB, the Small Business Commissioner, several banks and just about every parliamentarian. We cannot have businesses playing uphill and downwind against a much stronger opponent, and it is our duty as legislators to level this most important of playing fields.

5.10 pm

**Daniel Zeichner** (Cambridge) (Lab): It is a pleasure to follow the hon. Member for Thirsk and Malton (Kevin Hollinrake). We are discussing the economy, growth and productivity. I have been saying for some time that growth cannot just mean "more"; it has to mean "better"—a point echoed in Dame Kate Barker's excellent recent independent report on the Cambridgeshire economy, which was launched by the Secretary of State for Business, Energy and Industrial Strategy a few weeks ago. That means upskilling, reskilling and, most importantly, giving young people the best start in life, equipping them with the skills and tools that they need for the future. That is how we create not only a productive workforce, but happy, sustainable, resilient communities. Unfortunately, however, this Budget fails to achieve that. While the skilled workforce in Cambridge has

[Daniel Zeichner]

been the driving force behind our economic success, uncertainty around our future relationship with the EU, coupled with the Government's regressive immigration policies and a failure to make the right investment in skills and infrastructure, risks internationally focused businesses looking elsewhere—a point also echoed in Kate Barker's report. We must do better.

This Budget failed on substance, but there was also the matter of its tone, as other hon. Members have pointed out. Promising a paltry £400 million for schools to “buy the little extras they need”.—[*Official Report*, 29 October 2018; Vol. 648, c. 658.]

is an affront—a shameless insult. The Chancellor may say that school funding will be considered in the spending review, but teachers and parents in my constituency have a clear message for this Government: schools are stretched to breaking point. That line from the Chancellor, reminiscent of a 1950s patriarch to a subjugated wife—“Get yourself some little extras. Don't step out of line. How dare you ask for more?”—shows this Government's disrespect for not only our hard-working teachers and schools, but future generations, too.

Like many colleagues, I regularly visit schools and colleges. In recent weeks, I have been in nurseries, primaries, secondaries and colleges, and I have been told by two separate headteachers that if funding does not improve, their school will be making redundancies, despite staff already being overstretched. Staff are going off sick due to stress. Some staff recruited internationally have trouble getting visas. The number of children with complex and special educational needs has increased, but schools do not have the resources to provide the support that those children need.

I agree with Kevin Courtney, the joint general secretary of the National Education Union, when he says:

“The Chancellor has shown in this budget the depth of his ignorance on school funding. Schools have a £2 billion shortfall in funding a year—which is set to get worse. Capital funding has been cut by a third. A £400 million one off payment for ‘little extras’ will do nothing to address this. The Government has promised more money for potholes than schools”.

Let me briefly divert into those potholes, because £400 million may sound like a lot, but I hope that Members are aware that the backlog repair bill is £12 billion, meaning that just one in every 30 will be filled. That is a promise for our roads, and I doubt that even one school in 29 will find the “little extras” adequate. A little bit will help, but do not forget the Education Policy Institute's recent report, which showed that just 60% of teachers continue to teach in state schools five years after qualifying and that applications for teacher training are falling. Despite pupil figures rising by 10% since 2010, teacher numbers have remained static, meaning pupil-to-teacher ratios have risen. Class sizes are bigger, and teachers are working harder and longer hours.

This is not just about schools. Nurseries will struggle to stay in business, according to the Department for Education's own figures. When I visited a local maintained nursery recently, I was told that, without extra help, it will hit the buffers next April.

At the other end of the age range, sixth-form colleges, too, have been treated with disdain by the Chancellor and his team. Despite the call from the Sixth Form Colleges Association to increase the base rate for all

16 to 18-year-olds, it is currently frozen at £4,000 per student and £3,000 for 18-year-olds—it has been cut twice since 2010.

There is no mention of further education. The further education commissioner told the Select Committee on Education earlier this year that further education funding is “unfair” and “sparse.” I have seen that at first hand at Cambridge Regional College, which I visit regularly. The staff do excellent work with students and apprentices from across the east of England, but the college remains under-resourced and overstretched.

For a Government who claim to care about skills, this is a disgrace. They are failing to provide young people with the education they need to succeed by crippling education budgets. Time is spent on scrimping and organising substitute teachers to plug the gaps, rather than on educating future generations. I was a chair of school governors in the mid-1990s, and it felt just the same under a Tory Government then—what a change a Labour Government made. The current mean spending regime is not the way to create a workforce of creative, empowered and optimistic young people; it just tells them that the Government do not care.

5.15 pm

**Colin Clark (Gordon) (Con):** I commend this Budget, which stimulates business and puts money back in the pockets of hard-working families. I draw Members' attention to my entry in the Register of Members' Financial Interests. I am also a businessman.

I am known for my brevity—just ask my wife—and I do not intend to disappoint. I want to be a ray of sunshine by focusing on the annual investment allowance, which is moving from £200,000 to £1 million on 1 January 2019. This is transformative for the grafters, for the white van man and for SMEs the length and breadth of this country. This is not a fat-cat tax bonus; it will potentially unlock hundreds of millions of pounds.

There is pent-up investment in my constituency. Farmers want to buy combines and tractors, and food manufacturers want to buy labour-saving equipment—companies such as Dean's shortbread in Huntly and Mackie's ice cream in Inverurie. And, of course, there is the oil and gas sector. There are 233 service companies in my Gordon constituency, let alone in the neighbouring constituencies of my hon. Friends the Members for West Aberdeenshire and Kincardine (Andrew Bowie), for Banff and Buchan (David Duguid), who has now gone, and for Aberdeen South (Ross Thomson).

The oil and gas sector is the engine room of the Scottish economy, and I would be happy to show the Business Minister or any other Minister around next time they visit. The supply chain is worth a staggering £30 billion, and it supports the majority of the 300,000 oil and gas-related jobs.

Some 233 companies in Gordon will see a fivefold increase in annual investment allowance. If every one of them takes it up, it could release as much as £200 million of investment just in one part of Scotland: high-tech, serious investments by companies such as Hoover Ferguson of Kintore; STATS, the pipeline intervention company, also of Kintore; Hydro Group of Bridge of Don, which makes umbilicals for the oil and gas industry; Sparrows of Bridge of Don, which makes offshore cranes; Flowline of Oldmeldrum, a growing exporting business; and Aker Solutions, a Scandinavian company that has invested

tens of millions of pounds in Aberdeen, confident in the future of the Scottish economy. I have visited each and every one of them. Ambitious, confident and positive—that is not just me; it is the companies.

The oil and gas industry is estimated to generate £920 billion over the next 30 to 40 years. If each and every one of those companies invests in the future of oil and gas, we could see that £920 billion flow into this economy. That is a positive message for business. This is a tangible investment in business to boost the UK and Scottish economy and a demonstration of Her Majesty's Government's support for small and medium-sized enterprises.

The north-east of Scotland had a deep turndown, even though unemployment in the area is only 1.2%—they are a hard-working crowd. The Chancellor has announced continued fiscal stability for the oil and gas industry. He has listened to his Scottish Conservative colleagues. I am grateful to my hon. Friend the Exchequer Secretary to the Treasury for filling the oil and gas industry with confidence. Last year's transferable tax history incentive has been delivered by Her Majesty's Government. Fiscal stability for oil and gas has been delivered by Her Majesty's Government. Low corporation tax has been delivered by Her Majesty's Government. And a fivefold increase in the annual investment allowance has been delivered by Her Majesty's Government. Meanwhile, we have had punitive business rates from the SNP Government; the highest personal income tax in the country delivered by the SNP; and empty commercial properties being knocked down in the north-east of Scotland because of SNP policies. Her Majesty's Government are delivering for business, growing the economy and stimulating jobs. This is a Budget for business.

5.20 pm

**Sandy Martin** (Ipswich) (Lab): We are here to debate not just the minutiae of the Chancellor's figures, but the consequences that will flow from it. I want to draw the House's attention to the fact that, although the Chancellor feels able to allow another £15 billion into the economy, with an £11 billion increase in spending and a £4 billion cut in the tax take, that represents just 1.8% of the £842 billion total managed expenditure estimate for next year, a smaller percentage than the rate of inflation. This is not a game-changing sum and it is easy to be bamboozled by all the mentions of "billions" in the discourse into thinking otherwise. The majority of my constituents will not notice any significant difference in their taxes from this Budget.

Like Robin Hood in reverse, the Chancellor is rewarding the wealthiest with the bulk of the £4 billion tax cuts, while reducing the amount available via universal credit for the worst-off. It is shameful that we will not be able to vote against the raising of the higher rate threshold on tax without also voting against the lower rate threshold. It is unjust and misleading to put us in that position of having to do both at the same time.

What my constituents will notice is the effect of all the things the Chancellor is not doing. Significantly, he is not deploying the significant capital investment in our economic capabilities that Labour promised in our 2017 manifesto and that we have reiterated at every opportunity since then. Conservative Members consider themselves to be the party of business and constantly

call for tax cuts rather than spending increases. But in an economy that suffers from low productivity and a lack of demand, the sensible approach is to massively increase the Government's capital expenditure. Where is the national transformation fund that Labour promised? Instead, we get a pathetic additional £200 million for the British Business Bank—that is about £2.50 per person. Where is the green investment bank? Where is the financial support for greening the economy through investment in renewable electricity generation, through zero emissions vehicles and through insulation grants?

This is what my constituents in Ipswich will notice. They will notice that, while we are getting new trains, we are not getting all the rail infrastructure investment that would make those trains run faster, run more reliably, or, judging by my experiences on Monday, run at all. They will notice that there was no additional funding to provide the north Ipswich bypass or to improve the junctions on the A14—that is vital not only for the economy of Ipswich, but for the smooth transport of goods to the UK's premier port at Felixstowe. They will notice that the Crown post office has been franchised out, and that the number of post offices, their convenience and location, and the range of services they are able to deliver continues to deteriorate. They will also notice that, although Suffolk is lucky enough to have won first prize in the local full fibre networks challenge fund contest—about £9 per Suffolk person—that will provide full fibre connections only to key public buildings and comes nowhere near creating ultra-fast coverage for all.

My constituents will notice that, because Amazon and other online shopping giants continue to be able to get away with paying almost no tax, the shops they trust and rely on in what used to be called our "Golden mile" in Ipswich continue to close. They will notice that councils are not being enabled to support the bus services that people need to get to work. They will notice an almost total lack of council discretionary spend, leaving projects such as Ipswich's creative computing club, which teaches coding to disaffected pupils and which has gained recognition from Google for its outstanding achievements, struggling to find the money to provide a premises for its classes.

My constituents will notice a lack of investment in small-scale capital highways projects. Instead of inadequate roads being rebuilt, all we get is a pothole grant to fill in the gaps temporarily. They will of course notice that, while Ipswich Borough Council will continue to build as many houses as it can afford, there will be no national fund to enable the far more rapid creation of the houses so desperately needed for current and future young families. If they run their own small business, they will notice that the Chancellor has done nothing to end the scourge of late payment, which so often brings otherwise perfectly sound businesses to, or over, the brink of bankruptcy.

I believe that Ipswich will thrive in the end—I believe in my town—but I know it would thrive a whole lot sooner if we had a Government who believed in this country.

5.25 pm

**Stephen Kerr** (Stirling) (Con): I rise to speak up for the Budget. It is a great pleasure to follow the hon. Member for Ipswich (Sandy Martin), who identified a

[Stephen Kerr]

number of important issues, which illustrates how there is always more to be done. There are some things in the Budget about which I am really enthusiastic, and there are some things about which I would like to ask Ministers questions.

I very warmly welcome the freeze on fuel duty. Private car use is not a “nice to have” in rural Stirlingshire; it is an absolute necessity. Will my hon. Friend the Minister look again at the extent of the rural fuel rebate scheme? There are some glaring anomalies in my part of the world, so I urge him to take another look at that.

I also warmly welcome the freeze on beer duty and spirits duty. That may sound strange coming from a teetotaler, but it is good news for Stirling, where there are more than 100 pubs and thousands of people are employed in the leisure sector. It is also good news for Stirling’s distillers and brewers.

I welcome the announcement of funding for universal credit, about which I have spoken several times in the House. Helping people to get into work and making sure that work always pays is something that we must get right. I also welcome the commitment to spend more on our defences. The Government recognise the changing landscape of threat to which we must respond as a nation.

I commend the Chancellor and his team for taking seriously the plight of the high street. As a Conservative I find it a strange sensation to welcome the very idea of a new tax, but the introduction of an online tax for internet giants will do something to level the playing field in respect of the massive online retailers and high street retailers. It is an essential and pragmatic approach that I hope will be part of an overarching modernisation of the business-tax regime.

I have mentioned before in the House King Street, one of Stirling’s main shopping thoroughfares that has many retail and leisure properties. Some of them, although not many, receive rates relief through the small business bonus scheme. However, they would all benefit from the one-third reduction in rates that we will see in England. That would save restaurants such as Monterey Jack’s or shops such as Contempo across the other side of King Street about £3,000 a year. Those are real numbers that could be to the advantage of retailers in Stirling, if the Scottish Government adopted the policy for England. It is time to take action on the high street. We need vision and imagination for the future of our high streets. I see so much going on in the Budget that Scotland will not benefit from unless the Scottish Government show some of the invention and imagination that we heard from the Chancellor on Monday.

I have three questions that I hope the Minister will consider. I welcome the £200 million for the British Business Bank and the setting up of a British Business Bank team in Scotland, but I remain concerned that we need to do more to create a bigger stream of high-quality patient capital. The British Business Bank is a good vehicle, but it needs a broader remit. There is yet more to be done to replace the European Investment Bank as a source of patient capital. What is the Minister’s assessment of the ready availability and quality of patient capital in our economy?

It is right that we have an industrial strategy for the whole UK and an industrial strategy challenge fund for the whole UK, but I seek the Minister’s assurance that the UK shared prosperity fund will be a UK-wide fund, unlike the national productivity investment fund. My heart skipped a beat when I heard about the £200 million to be invested in rural broadband—full fibre broadband; the real McCoy—but then I learned that it was to be funded by the national productivity investment fund, which means that Scotland will not get anything. I deeply regret that. I am looking for assurances from the Treasury Bench about what will be done to get rural broadband planted in rural Scotland. Currently, the Scottish Government are doing next to nothing. They are frustrating the work of connecting rural Scotland.

I will take this opportunity to mention a side issue, which is the misleading advertising that our consumers are subject to on “superfast fibre” broadband, when it is not fibre at all—it is copper. We should insist on these companies telling the truth, the whole truth and nothing but the truth to our consumers.

5.30 pm

**Tracy Brabin** (Batley and Spen) (Lab/Co-op): As we are discussing business today, it is worth mentioning the significant announcement just this afternoon that Channel Four Television has made the brilliant decision to move to the wonderful city of Leeds. I hope that this language is not too unparliamentary, but I am as chuffed as nuts about the news. I have supported this bid all the way through, and I pay tribute to the staff and the leadership that have made it a success. The bid was submitted by Leeds city region, and I am really looking forward to my constituents benefiting for decades to come and to West Yorkshire becoming an even greater bastion of creativity.

Let us return to the substantive subject before us: austerity and this Budget. After eight long years of constant cuts, austerity has not worked for Britain and it has not worked for my constituency. Our local hospital, Dewsbury and District, has had services removed and downgraded; our high streets are losing banks and post offices; our local authority, Kirklees, has been stripped back to the bone, with 50% cuts since 2010, and there are still millions of pounds worth of cuts to fight and who knows where they will come from in the coming years; and homelessness has doubled. I cannot forget the head teacher of one of our best schools in the constituency telling me that they have exhausted their ability to make savings around the edges. They have increased class sizes to such an extent that now all they can do is remove the whole German language department to balance the books. There seems to be something particularly cruel about allowing children to start educational discovery of another language only to have it whipped from underneath them owing to funding cuts from this Government.

The biggest immediate crisis facing my constituents is that of universal credit. The fact is that there is not enough money in the system and its harsh and failing structure is causing pain in communities such as mine. This is not just an academic exercise for accountants; it is about people like us—people like you, Madam Deputy Speaker, and those on the Conservative Benches. They are people with families, hopes and ambitions.

If the House will allow me, I would just like to share a couple of examples from my own constituency. One constituent was forced to sell off his white goods and furniture to pay rent and bills. Another constituent, a former carer, Carol, who recently retired on grounds of ill health, has had to wait eight weeks and counting with not a penny of income. We are trying our best to support her, but an eviction scare is on the horizon, which is absolutely impacting on her health. She has sold off all her jewellery and clothing; she has nothing left to sell. We must be able to do better than that. These cases are unfair and unjust.

I dread to think what people like Carol and the others would do if it were not for the food banks. I know that the people of Batley and Spenningsdale owe enormous gratitude to the volunteers at Batley food bank, who keep helping and keep supporting in the face of rising demand. Demand is up 50% on this time last year, and the volunteers are helping more than 100 adults and 40 children—let that land: 40 children. In the past two days alone, while we have been listening to and debating this Budget, the volunteers have helped 26 adults and 14 children. For some, going to the food bank is acute humiliation. One food bank volunteer told me of a middle-aged father of two who was out of work for the first time having been diagnosed with cancer. Waiting for his first welfare payment, he had nothing left for food for his family. He arrived at the food bank asking for help, but it was too much and he left saying, “I don’t want to be here. It’s embarrassing. I have worked all my life; I can’t do this.” The volunteer followed him, running into the street saying, “It’s society that should be ashamed, not you.” It is heartbreaking and it is unacceptable.

We are discussing business and, briefly, I would like to mention the plight of our nurseries in Batley and Spenningsdale and across the country. The fate of many nurseries is set by the decisions of this Government. A rise in the minimum wage is of course very welcome, but common sense suggests that it should come at the same time as an uplift in funding for childcare. My real fear is that, with the extra pressure on budgets, many excellent nurseries will go out of business in the most deprived areas, where parents are unable to afford top-ups and where children benefit the most. Those businesses are calling out for support, and they are not alone. There might be fewer potholes, but the social injustice facing our country remains unanswered, and that is just not good enough.

5.35 pm

**Matt Western** (Warwick and Leamington) (Lab): Just over a month ago, in Birmingham, the Prime Minister trumpeted that austerity was finally over. On Monday, in his Budget statement, the Chancellor was more sanguine, claiming that austerity was not over but “coming to an end”. Perhaps most disappointing was the disingenuous claim that austerity had been a necessity, that there was no choice and, indeed, that austerity had not been driven by ideology.

Let us be clear, austerity is and was a choice. The path chosen by the Chancellor’s predecessor, George Osborne, was totally opposite to that chosen in the US, where Barack Obama introduced the American Recovery and Reinvestment Act in 2009, a Keynesian package of economic stimulus that has resulted in the highest and most sustained recovery of all G7 countries in the

period since the global financial crash—and it was a global financial crash, irrespective of what the right hon. Member for Haltemprice and Howden (Mr Davis) may say.

Monday’s Budget announcement was particularly important, because we are at a pivotal point—a point at which the economy is faltering, and where we face huge uncertainty and, according to the Office for National Statistics, the most serious economic damage from Brexit of between a 2% and 8% drop in gross domestic product, depending on the deal. In fact, UK growth is the lowest of the G7 countries—almost half that of the EU composite and more than half that of the US and the OECD countries.

Our benign growth has been kept afloat these past years by consumers enjoying super-low interest rates and sizeable gains from windfall payments due to the banks and other financial institutions’ mis-selling of payment protection insurance—some £40 billion so far, and another £18 billion likely, according to recent reports. Even before the additional sum, that equates to between 1% and 2% of GDP, or an additional £1,000 for every adult in this country. That is a significant sum; a significant stimulus. I shall use two sectors to evidence the impact of such sums on the economy: record sales of cars and new kitchens in recent years, as consumers have cashed in on those payments to finance high-ticket items.

Now we face reality: consumer confidence is trending downwards and is not far off the level it was at in 2010. New car sales, generally a good proxy for consumer confidence, were down 20% in September and 8% year on year. Household debt is rising at an alarming rate, unsecured debt in particular—debt because people cannot afford to live. Universal credit is hurting, not helping, and with the rising use of food banks and the explosion in the use of payday lenders, the pressure on households is greater than ever as more and more people face the phenomenon of in-work poverty. Also, as the right hon. Member for Sevenoaks (Sir Michael Fallon) highlighted, savings have fallen dramatically in the past year or two.

The claim by the Chancellor that we are witnessing a jobs miracle is yet another line from the George Osborne songbook. This is no jobs miracle; it is a jobs mirage. How else do we account for underemployed, zero-hour and insecure employment? There is low capital investment because labour is so cheap and flexible in the UK—easy to hire, easy to fire, so why invest in machinery and plant that could improve productivity? It is not a productivity puzzle; it is simple.

Elsewhere, we are seeing lay-offs and shutdowns in the jewel of our manufacturing sector, the car industry. Production was down 17% in September, 7% in the year to date, and by 19% in our domestic market. Clearly, there are particular issues with testing regimes but, beyond doubt, the introduction in last November’s Budget statement of a hike in vehicle excise duty on diesel has been particularly damaging to the UK car industry, especially Jaguar Land Rover. Without the revenues and the profit, there can be no investment in the transition from the internal combustion engine to alternative fuels. That is what the industry sought from the Chancellor—support, not damage.

While I am disappointed by the lack of immediate support for the car industry—a sector so vital not only to the UK economy but to the people of Warwick and

[*Matt Western*]

Leamington—the failure of this Budget to address the desperate needs of our schools, police and fire and rescue services is just as notable. Without the investment in our children’s education, our health service, our security and our infrastructure, we will fail tomorrow. Expenditure now—investment—is the lifeblood of our future. Giving £110 billion in corporate tax giveaways by the end of this Parliament denies us the means to do this. Somehow the Chancellor believes that £10,000 for a primary school to help with those “little extras” like books and pens is good governance: try telling that to the children who have lost their teaching assistant.

In years to come, economic historians will come to view this period as the UK’s lost decade—years when so much could have been achieved had the trajectory of growth of late 2009 and early 2010 been maintained. It was stifled by ideology; a Government in the spirit of 1945 would have secured it.

5.40 pm

**Tulip Siddiq** (Hampstead and Kilburn) (Lab): As with previous Budgets from this Government, the measures outlined in this one will do nothing to reassure my constituents who are facing such financial difficulties. The cuts to local authority budgets, whether £169 million from Camden’s budget or £164 million from Brent’s budget, are resulting in the closure of police stations, fire stations and jobcentres in the most deprived parts of my constituency, as well as the closure of the children’s centres that are a lifeline for so many parents in my constituency. To top it all off, the roll-out of universal credit is coming. Of course, it would be remiss of me not to mention also the financial difficulties that Brexit will bring to my constituency—a constituency that so thoroughly rejected the idea that we have to leave the European Union: 75% of my constituents voted to remain in the EU.

These issues will dominate life in Hampstead and Kilburn for everyone, but the financial difficulties that I have outlined will have the most profound effect on the people in my constituency who are refugees, asylum seekers, and from migrant communities. As anyone who knows my constituency will probably acknowledge, there is a lot of divided opinion among lots of people, with differences of opinion that constituents like to email and write to me about—but one thing on which many of us are united is that the Government’s economic policy on migration should be underpinned by tolerance and open-mindedness, and that we should be helping new communities who are coming into our constituencies and our country to settle.

That is why I was so deeply disappointed that in his speech on Monday the Chancellor did not talk about reinstating the migration impacts fund. Conservative Members have said a lot about what the Labour Government did, no doubt as set out by the Whips. Let me tell them that the Labour Government introduced the migration impacts fund, in response to councils’ requests for relief from pressures on public services. Better yet, the fund was self-financing. It was financed by non-EEA migrants, with a compulsory £50 levy applied to application fees. For me, it was a statement of intent from the Labour Government that we wanted to express our values by welcoming migrant communities

to come to this country. But the coalition Government decided to cut this fund because they wanted to take urgent action to cut the deficit, and because it was “not a priority funding stream”.

That was typical of this Government, because they cut it first and then faced the expensive consequences later. Disgracefully, the fund was scrapped, but the financial levy remained on those seeking to make a life in Britain—again, very indicative of the punitive economic approach this Government take to migration.

Obviously, however, the needs of the new communities that were coming in remained, and the Government decided to bring in a new scheme, but it was wholly inadequate. Last year, the Home Affairs Committee said that this scheme—the controlling migration fund—suggested that the Government had lost the argument on this topic and that its scope was not

“sufficient to address the...pressures...on local public services”.

This should come as no surprise. The successor scheme that was brought in so hastily by the Government is barely more generous than the migration impacts fund introduced in 2008, and it cannot conceivably be expected to meet the much larger demands on public services a decade later.

The underfunding of the CMF is compounded by the fact that the scheme is split into two, with around £40 million being spent on immigration enforcement, rather than where it should be going, on projects to ease the process of integration across the country. It should come as no surprise that a More United survey of 17,000 people found that the restoration of the initial migration impacts fund would improve trust in our country’s approach to migration.

This is an historic time for our country, and we need a shake-up of our migration policy. We need a Government who think about building resilience in local communities, so that when there is an influx of new migrants and new communities, there are the financial resources to meet the challenges adequately. I represent 22,000 EU nationals in my constituency, and I want to welcome more. I expect the Government to be making provisions in the Budget to ensure that we have the resilience in our communities to handle the influx of migrants who will ultimately bring so many benefits to our country.

5.45 pm

**Dr Roberta Blackman-Woods** (City of Durham) (Lab): The Budget, as we all know, delivered a pathetic £400 million for schools, which many professionals have said is an insult when they are facing staff redundancies and cuts to pastoral and special needs services. Indeed, Paul Johnson, director of the Institute for Fiscal Studies, said:

“Many public services are going to feel squeezed for some time to come. Cuts are not about to be reversed. If I were a prison governor, a local authority chief executive or a headteacher I would struggle to find much to celebrate. I would be preparing for more difficult years ahead.”

That needs to be seen against the backdrop of an 8% cut to school funding in real terms since 2010. As the National Audit Office has made clear, £6.7 billion is needed to bring English school buildings up to a satisfactory standard. That capital funding shortfall is made worse by the £3.7 billion cut from the capital budget since 2010. This has left three schools in my constituency—Belmont Community School, St Leonard’s



and Framwellgate School—in urgent need of replacement, but the Government continually say that there is no money to pay for replacement.

This is not just about cuts in capital funding. In September this year, the cabinet member for children and young people's services in Durham County Council wrote to the Secretary of State for Education. In a very detailed letter, she set out the impact in Durham of the cuts to education, estimating that the council had lost £46 million from the schools budget, which equates to a loss of 15 teaching staff in a secondary school. She pleaded with the Government to listen to authorities such as Durham and to provide more funding, so that young people in Durham can get the education they deserve.

We know that further education fares even worse from this Budget. There has been a 45% cut in real terms to adult education and apprenticeships and a 12% cut to student funding for 16 to 18-year-olds. The Government need to explain how much of the figure outlined for skilled jobs and apprenticeships will go to colleges to support them as they seek to do the important job of skilling and reskilling adults and young people, so that they add to a dynamic workforce for the future. Even if they get all the £125 million, FE colleges will still have lost £3 billion since 2010.

I am also concerned that the Chancellor has done nothing to reduce the burden of debt on university students, particularly to lower the crippling interest rates applied to student loans. Some of the money in the Budget for start-ups, research and development of technology might end up in universities; again, that is not clear. It would be good to know how much will go to the HE sector, and we especially expect more detail about university funding after the post-18 review has reported.

In the last minute or so of my speech, I want to say something about cuts to local government. We all know that local government has borne the brunt of cuts, losing 60% of its funding. It is absolutely outrageous that the Government did nothing in the Budget to try to bring about a fairer system of funding for local government. Councils such as Durham are dealing with increasing pressures on social care and on young people's and children's care services. There was hardly a mention of that in the Budget, despite the massive cuts to and the shortfall in local government funding, which is estimated to be £7.8 billion by 2024-25. The Exchequer Secretary is not listening at the moment, but I do hope that he will read this speech in *Hansard* and come back to the House with a commitment on how the Government will make up the shortfall to local government funding so my constituents can get the services they deserve and need.

5.50 pm

**Susan Elan Jones** (Clwyd South) (Lab): It is a great pleasure to follow my hon. Friend the Member for City of Durham (Dr Blackman-Woods) and to contribute to this Budget debate. I wish to focus my remarks on three main aspects: Brexit, the north Wales economy and the voluntary sector.

The *Financial Times* has already referred to the Budget as a general election Budget. I do not know whether that is true, but it is most certainly a Brexit Budget, and I am not thinking of the new 50p pieces. Quite frankly,

if that were all the Prime Minister and the Chancellor had to do to keep their ideological, hard Brexiteers happy, most of us would not mind too much. We now see more than £4 billion—about £4.2 billion, I think—going towards Brexit preparations. This is from a Government who have categorically refused either to have a general election or to ask the British people in a referendum what we should do next vis-à-vis Brexit. One leading voluntary sector commentator offered a very sobering reflection when he wrote:

“The opportunity cost of spending that money is staggering. It's equivalent to the total income of the UK's 136,000 smallest charities for almost two years. Just think what they could do for communities with that.”

Indeed, let us just think about that.

On a more positive note, I welcome the fact that persistent local lobbying has led to the Chancellor announcing money for the north Wales growth deal. This, as I think they say in the wedding banns, is for the third time of asking: the deal has been mentioned twice, but this is the first time we have had any money for it. Members of Parliament from north Wales have worked across party and geography to fight for funding. I want to put on record my thanks for the part that local authority leaders and business people on the North Wales economic ambition board have played. I must, however, say of the funding that Belfast, which has a population of 333,000, has been pledged £350 million for its city deal, but north Wales, with a population of 687,000, has been pledged £120 million. I have nothing against the people of Belfast, but that does not seem to me to be very fair. We in north Wales will do everything we can to work with the Government and whoever else we need to work with to secure prosperity and wellbeing across our region. The North Wales economic ambition board has already stated, in the aftermath of the Budget, that our goal is to increase the value of the north Wales economy from £13.6 billion in 2016 to £26 billion by 2035, with a final deal in place later in 2019. It is an ambitious challenge, but one we are determined to meet.

I will now turn briefly to the voluntary sector. In advance of this year's Budget, the all-party group on charities and volunteering, of which I am a co-chair, wrote to the Chancellor with some very helpful suggestions. I am pleased to see that our suggestion that the increase in the gift aid small donation scheme maximum from £20 to £30 has been taken up as a proposal. That is good, and it is a sensible measure. I think that all parliamentarians involved with the all-party group, as well as our several hundred affiliate members from the voluntary sector, will welcome the Chancellor's words about reducing “administrative burdens on charities” by introducing a “package of measures” from April 2019. We await the details but welcome the principle. However, I am rather less enthused by the increasing tendency for Chancellors to pick specific charities and causes. When any charity gets funding in any Budget, I welcome it, but we know that, in all likelihood, such charities will not get this on a year-on-year basis. That approach can raise serious problems of financial stability for charities, and it goes against the Government's own—largely, very thoughtful—civil society strategy.

If the Government are serious about the voluntary sector in the long term, we cannot have another Budget that does not seriously examine dormant assets. The voluntary

[Susan Elan Jones]

sector has waited a long time to hear how the Government intend to further spend up to £2 billion in dormant assets. Voluntary sector leaders are absolutely right to call, as they did in a letter to the Chancellor, for that funding to be designated for the purposes of strategic long-term investment in civil society organisations. It is also time for the Government to add to that funding £500 million from the national fund, to be released for the purpose of investing in communities. There is no greater role, no higher calling, than for us to invest in our communities.

5.55 pm

**Jim McMahon** (Oldham West and Royton) (Lab/Co-op): I would say that it is a pleasure to speak in this debate, but it clearly is not. This is a horrendous time for many people in this country. They were told that the people with the broadest shoulders would bear the biggest burden of austerity, and that proved to be completely untrue. They were told that the situation would be temporary while the Tories rebuilt the economy and created the jobs of the future and that those jobs would be available to hard-working people. That turned out to be untrue, too. Then we were told that austerity was over. The Budget has shown in black and white that that is simply not true.

There is a human cost. It is natural in these situations to look at the facts, the figures and the data. But just think about the human, lived experience in every one of our communities—of people doing exactly what the Government have asked them to do. They are working hard, often in two or three jobs and often for more than 40 hours a week. They are struggling with childcare and to put food on the table. They do it because they have the pride of work.

We might say that, given the exploitation taking place in which people are not given full-time work, even though it is available from the employer, those people ought not have pride in their work—their terms and conditions have been eroded or they are being paid the minimum wage because employers know they will get away with it—but people do have pride. People in my town of Oldham came from all over the world to work hard and set up a new life for themselves and their families. They are industrious and take pride in their work and effort. But the promise of fair pay for a fair day's work is just not true for too many people.

When the mills were thriving, we developed manufacturing and engineering. The jobs in aerospace, making high-end machinery that changed the face of the world, did not just provide quality goods that changed the world; they provided a sense of purpose. The things that people produced in towns such as Oldham helped set the industrial revolution off and set this country where it needed to be. But those very same communities have been left abandoned.

What has followed that industrialisation? The decent jobs have been replaced with warehousing and distribution jobs—the same jobs that Amazon and the like are replacing with automation. Take Shop Direct in my community: it employs 2,000 people in warehousing and distribution. Some of them have 40 years' service; it used to be Littlewoods and Great Universal Stores. They had a long history in Greater Manchester: 40 years'

service—husbands and wives working together all their working lives. That operation is closing, to be relocated 80 miles away at an automated plant.

We know that progress is inevitable and that automation would make this country more productive, and the workforce know that, too. They do not have their heads in the sand—they work in the industry on a daily basis and know exactly what changes are taking place—but what they cannot understand is why their tax-haven owners are closing the local facility and not even giving the community the chance to put in an offer of a site in that community for a new facility. Where is the fairness in that?

We talk about fair taxation. This digital sales tax being proposed is an absolute con. For too long, the tech giants have got away with not paying their fair amount of tax, while our high streets, our city centres and our town centres have been left to go to their knees. In many regions, we have lost a quarter of our retail space. That has a real consequence for how people feel about their communities. When they look at their town, it is a test for what the future holds for their place and their community. When they see the shutters down and the boards on the windows, it says a lot about the faith the Government have in it. At the same time, where money is being generated in the economy, the Government are completely useless in capturing it to invest in decent public services.

The people in this country believe in fairness and fair play. They understand there are choices and they understand that sometimes they are difficult choices. What they will never understand is how they work hard, work long hours and work still with pride, yet the people taking money out of their community are not paying their fair share to pay for decent public services. That is not for themselves. People are not selfish. People look at their children and their grandchildren, and they look at the funding that has been taken away from our schools. That is when they question what the future is and whether it is all worth it. If the Government do not do something quick to give people back the hope they need, I really fear for the future of this country.

6 pm

**Matt Rodda** (Reading East) (Lab): It is a pleasure to follow my hon. Friend the Member for Oldham West and Royton (Jim McMahon).

I have to say that I am disappointed by the Budget, although I am not surprised by its failure to set out any meaningful change in policy. As other hon. Members have said, this is a broken promises Budget. Austerity is not over and there is no sign that it will be over any time soon. Cuts to social security will continue and there are no guarantees that other Government Departments will not face cuts as well. The Government have presided over eight years of economic failure. Their failed austerity agenda has deeply damaged our economy, delayed and weakened our recovery, and endlessly postponed fixing the deficit. It is important to see beyond the deliberate attempts to distract the media and voters with relatively small sums of money spent on one or two high-profile items. Frankly, I have to say that even many of those are derisory. Instead, I would like to focus on what is missing from the Budget.

First, it is significant that there are no guarantees that Departments will not face further cuts. That the Chancellor has raided capital budgets to fund day-to-day spending

makes matters even worse. The £1.7 billion promised for universal credit is less than a third of the social security cuts still to come and the Chancellor's announcement on work allowances reverses just over half the cuts made in 2015. The roll-out of universal credit has now been delayed for the seventh time. On this measure, universal credit is clearly failing. It is clear that it needs to be scrapped.

What about the NHS? Under the current Government, the NHS has experienced the slowest spending growth in its history. The £20 billion promised for the NHS is "simply not enough" according to the Health Foundation. It is clear that there is a real need for much greater spending just to keep pace with the needs of our ageing population.

What does the Budget have to say about schools? The Chancellor's plans did not include a penny for the day-to-day costs for our schools, even though school funding has been cut by 8%. The "little extras" announced by the Chancellor will be seen as a drop in the ocean and something of an insult to many hardworking teachers, parents and children. It will not stop schools having to send begging letters to parents to cover basic expenses, which in my area includes paper and printing.

What about local government, policing and public sector pay? Local councils face a funding gap of £7.8 billion by 2025. There was not a penny for policing, even though 21,000 police officers have been cut and violent crime is on the rise. Police, teachers, nurses and doctors have had no reassurance that the public sector pay squeeze will end this year. Indeed, the Budget failed to address the very real needs of my constituency. My constituents will not be helped by this Budget. It is a budget that fails even on its own terms.

The Chancellor has tried to distract us with a shower of gimmicks. This failed and divided Government claim that austerity is ending when some of the deepest cuts are yet to come. The Government are failing to deliver a fair economy, failing to end austerity and failing to agree a Brexit deal. It is high time they made way for a party willing and able to address the very real problems facing our country today.

6.4 pm

**James Frith** (Bury North) (Lab): I draw hon. Members' attention to my declaration in the Register of Members' Financial Interests. The Government's party conference this summer boasted of opportunity, but this week's Budget smacks of a wasted opportunity. It is a wasted opportunity to present an economy that embraces the challenges and sees them as opportunities for all, and it fails to address the urgent threat of climate change or the chance to reskill for automation. It is a vision lacking in imagination on how to renew our towns beyond rate reductions. There is a much-needed and overdue injection of cash for our NHS, but the King's Fund and the Health Foundation say that it is still not enough. The party that says "F— business" on Brexit still gives us FA for FE, with colleges not even mentioned. There is no intervention to move from low-skilled to high-skilled work and no plan for the rise of the robots and the promise of AI and automation. Wages and growth are not moving and public services continue to be ignored. Austerity continues—it does not end—and the Government have no vision for what is next.

There is more money for potholes than for schools—is there a better metaphor for what this Tory decade has become, plugging the holes after years of neglect and being run over? There is yet more evidence of the Government taking councils such as mine in Bury to breaking point, with £100 million ripped from Bury's local services from 2010 to 2020. That is 80% of the council's budget gone on their watch.

Just three weeks after the Intergovernmental Panel on Climate Change's landmark report highlighting the grave threat of climate change, there was not a single reference to climate change in the Chancellor's speech. There is nothing on investing in new national industries or renewable energy and the creation of new jobs, and there is nothing to tackle air pollution and the chaos facing commuters in Bury or on plans to switch polluting buses to new, clean-energy vehicles.

The Chancellor's 1.5% average growth for the next five years will not stand a chance, with or without a Brexit deal. Talk of a Brexit dividend hits the pit of my stomach when I recall what the real job creators in Bury tell me. Of course, some certainty will bring economic relief, but to limit our ambitions for the economy to this is another wasted opportunity. I join local shopkeepers in welcoming the planned cut in business rates, but the Budget does not do enough to back entrepreneur centres such as Bury. Good economic growth needs these nimble-footed risk takers. We need emerging entrepreneurs getting access to finance so that they can grow with loans that do not put the family home on the line or cost the earth to take out. Many entrepreneurs come home after a day at work and log on to sell, serve or trade once the kids are in bed.

As a country, we have the lowest business investment in the G7, while public sector investment is now £18 billion lower than in 2010. The OBR says that we are facing the biggest wage slump in 200 years. Payday is ever further away for so many. Costs soar. Homelessness can now be found in towns as well as cities and baby banks for baby clothes are joining food banks.

This wasted opportunity Budget failed to address the urgent crisis facing education. The obnoxious phrase that defines the Budget was the "little extras". There is nothing to plug a £2 billion-a-year funding shortfall and the 8% real-terms cut in per-pupil funding. Why have the Government got such a blind spot on further education and sixth-form colleges, with spending per student set to return next year to the level that it was 30 years ago?

We know this: we cannot expect a family that is just about managing to get to the end of the month to be served or understood by a Government trying to survive to the end of March. The challenges that we face as a country are imperative, but the answers that we get in this Budget are impotent. This is a wasted opportunity, from a wasted opportunity of a Government.

6.9 pm

**Darren Jones** (Bristol North West) (Lab): I draw the House's attention to my entry in the Register of Members' Financial Interests. I also want to share with hon. Members the excitement in Bristol at the news today that one of Channel Four's creative hubs will be relocating to our wonderful, creative and diverse city. We thank our Mayor, Marvin Rees, and his team for securing such a win for Bristol.

[Darren Jones]

My reaction to the Budget is less positive, because it was a Budget of bad jokes and little else. It failed to recognise the biggest issues facing the economy—economic growth, Brexit, austerity and climate change—and then failed to set out what we were doing about them. On economic growth, it is a plain and simple fact that we have gone from being one of the fastest-growing major economies in the world to one of the slowest. We rely on economic growth to fund our public services, and many workers in Bristol are already taxed enough, at a time of stagnant or painfully growing salaries and a rising cost of living.

How do we grow investment in our economy and generate the growth to fund the public services that the British people expect? Private sector investment is significantly down, having been decoupled from the global investment cycle, whereas in the United States and Germany we are seeing much higher investment. In my constituency in the industrial zone of Avonmouth, I have businesses that are ready to invest in jobs and growth but unwilling to do so because of the risks facing the British economy. State-backed investment under this Government is a self-defeating spiral. They are borrowing more than £1 trillion—50% more than when Labour was in government—without having achieved any significant sustainable economic growth off the back of it.

That takes me to the next elephant in the room, which is Brexit. Never has a modern British Government implemented a strategy that has proactively sought to make us poorer and less powerful. The Treasury has already earmarked £4.2 billion to administer Brexit, and it has not secured agreement on our future relationship, which will create even more cost for businesses and workers. Our trajectory has proven the original forecasts from the Bank of England—that Brexit would make the economy 2% smaller and cost around £20 billion in available taxes to spend per year—absolutely right and nothing to do with “Project Fear” and has proven the promise of a Brexit dividend a fiction that many will not forget. That is why I and others have long supported a people’s vote. Now that the facts are becoming clear, it is right that the British people have their say on the incompetent Brexit the Government are bringing forward.

Finally, on austerity, the Prime Minister sold us a fiction, as we have heard time and again in this debate. The plain and simple truth is that austerity has not ended—it is not even on the path to ending. The Budget did nothing for police or fire services in Avon and Somerset, at a time of rising crime when many victims are being left entirely alone and without access to justice; it did nothing to help Bristol City Council to provide the statutory services that so many children, vulnerable people and older people rely on, in the face of £70 million of cuts since 2010; and it offended every single school up and down the country and in Bristol by giving them less money than they are giving for potholes so that they can buy the “extra things” they think might be nice, when we need teachers, teaching assistants and support for children with additional needs who are being failed. The NHS secured some additional funding, but it has already been shown to be a real-terms cut, funded on the punt that £13 billion of extra cash found down the back of the sofa this year will not be whipped away by the consequences of Brexit next year.

Fourteen neighbourhoods in my constituency are in the lowest 10% in the country for education, training and skills, and six of them are in the lowest 10% for employment. I come from those neighbourhoods. Week in, week out, constituents come to me facing the consequences of nearly a decade of austerity. Week in, week out, all I can say to them is that the Government are not good enough. That is why I say the Budget was a Budget of bad jokes and little else; that is why I say I am amazed at the Government’s incompetence in administering Brexit and their apparent lack of concern at its cost; that is why I say that the promise that austerity is over is a fiction that will not easily be forgotten by my constituents or the British people; and that is why I cannot support this short-sighted, incompetent, Brexit-driven, fictitious Budget that fails to recognise and deal with the challenges this country faces.

6.14 pm

**Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): It is a pleasure to follow my hon. Friend the Member for Bristol North West (Darren Jones) and to share in his delight that Glasgow is to be the home of the other Channel Four creative hub—a great triumph for a city that has built an incredible reputation for communications and broadcasting over the past 50 years, as the home of BBC Scotland and STV. I am sure it will help to bring a far greater breadth of expression to public service broadcasting, particularly from working-class voices, which are too often shut out of mainstream media in this country. That is a great opportunity for us all.

I reflect on the past 10 years—I started university in 2008, the same year that Northern Rock collapsed and the banking crisis erupted on this country—and the impact that that had on my generation, in our formative years. I think of the efforts that the British Government made at that time to command the global response, to ensure that the G20 responded with a counter-cyclical growth strategy, and to introduce stimulus that returned the UK economy to growth in record time. That was the picture when the Labour Government left office in 2010, to be succeeded by a Tory-led coalition, which rapidly imposed a programme of austerity on this country, claiming that there was no alternative.

Well, the alternative has been proven to have failed, and this Budget is testimony to that failure. It has failed our public finances. The Tories have missed every target they set themselves for fiscal recovery. They were meant to eliminate the deficit by 2015, but the Office for Budget Responsibility described achieving that by 2025 as a “challenging” objective. If they succeed, it will be by shifting the deficit on to the balance sheets of our underfunded schools, hospitals, local councils, police forces and other public services across the country. The Tories will have handed out £110 billion in corporate tax giveaways by the end of this Parliament. Choosing tax giveaways for the few over public services for the many is unjust, and certainly irresponsible.

Austerity has failed our economy. Average growth between 1945 and 2009 was 2.4%; between 2010 and 2016 it was just 2% and it is not forecast to rise above 1.6% for any of the next five years. That is a failure in the growth opportunity of this country, and it is a failure of my generation, who have been betrayed by the economically illiterate policy of austerity that has been visited on this country.

Think of the lost opportunity, Mr Deputy Speaker. Millions of young people across this country have been betrayed by that lost opportunity. For the first time, we expect my generation to be poorer than our own parents. That is simply a shameful indictment of this Government's failure to deliver investment in this country. Indeed, real wage growth between 1946 and 2010 was 2.4% every year, on average, but between 2010 and 2018 pay has actually fallen in this country, by 3%. That means that 6 million people earn less than the real living wage. When this Government boast of record employment levels in this country, we have to reflect that, actually, coming up to half of the workers in this country are on less than £13,000 a year. That is a low-wage economy of penury, imposed by this Government, who have utterly failed to deliver for working-class people. It is shameful.

The UK is the only major economy in which investment is falling. UK business investment is the lowest in the G7, and public sector investment is over £18 billion lower today than in 2010. That is the root cause of the problem. We are using low wages to subsidise industry, not investing in high productivity that will deliver the real economic benefits for everyone in this country. That is why British productivity remains 15% lower than that of the other major economies. There is a vicious cycle of economic decline under this Government. By contrast, our party's policies propose a virtuous cycle of recovery that will improve lives for everyone. We were on that growth trajectory when we left office last time.

I would particularly like to reflect on the impact in Scotland. We have heard about £959 million in Barnett consequential, but that is a drop in the ocean relative to what is necessary to truly transform the Scottish economy. It is a drop in the ocean relative to the £33 billion budget that the Scottish Government manage. It also pales into insignificance beside the £70 billion programme of investment that Labour proposes to bring about in Scotland over the next 10 years. That would be the radical transformation that is really required in the Scottish economy. We have seen efforts to invest in Belfast, with attempts to regenerate the city in the wake of a devastating fire, yet nothing from this Government after the devastating Glasgow School of Art fire.

Universal credit is about to roll out in my constituency, where I will have the highest number of universal credit claimants in Scotland—over 16,000. We have seen no effort to address the huge shortfall of over £7 billion of welfare cuts that this Government have made. That is the reality of Tory austerity in this country.

6.20 pm

**Patricia Gibson** (North Ayrshire and Arran) (SNP): I have the dubious honour of being the final speaker in this debate. [HON. MEMBERS: "No, you're not."] There is not much in this Budget to excite me or my constituents in North Ayrshire and Arran. We are no wiser as to when the Ayrshire growth deal will kick off. If warm words were investment we would have made huge progress with this deal, but we need more than warm words and good wishes to improve the lives of those living in the communities crying out for investment, like Saltcoats, Kilbirnie, Stevenston.

We have had some tinkering with universal credit, but nothing like what is needed, nor have any measures been taken, despite repeated demands, to pause and

halt this benefit in order to make it fit for purpose. Nothing has been done to end the wage discrimination against young people, and the Government continue to perpetuate the myth of their national living wage when it is clear that the real living wage—the wage that takes into account the actual cost of living—is the right thing for workers. The Tories and the Labour party are still opposing the Scottish Parliament having this authority over wage levels, there is no commitment to end exploitative unpaid work trials and still no support for the Scottish Parliament to have any control over employment law. Such is the terror of Scotland being a beacon of progressive politics in this regard that presumably the logic is, "If we go down, we all go down together."

We have had much talk today about welfare. The £30 billion of welfare cuts voted through in 2015 by both Labour and the Tories has exacerbated child poverty in my constituency, and yesterday's Budget did nothing to target child poverty. We have been told by the Resolution Foundation that tax cuts overwhelmingly benefit richer households, with almost half of them set to go to the top 10% of households, yet, disappointingly, we hear that Labour will abstain on that—and that is particularly disappointing given that Labour in Scotland have been throwing up their hands in horror at the SNP Government not raising taxes to yet higher levels.

The Budget did nothing to address the £175 million paid by Police Scotland in VAT bills, coming straight out of frontline policing, at the same time as we have academy schools in England being given special dispensation from paying VAT. Perhaps someone on the Government Benches could explain that anomaly.

We have had nothing for the victims of the HELMS—Home Energy and Lifestyle Management Systems—green deal swindle, which left people with huge debts. We also have communities without their banks, like Kilwinning, Saltcoats and Kilbirnie. The Chancellor has given us no guarantees over the future sale of RBS shares to safeguard the interests of the taxpayer. We have had nothing for the WASPI women, who have been robbed—mugged—of thousands of pounds. We have had nothing on the civil nuclear police officers, who face dramatic and unsustainable changes to their pensions.

The decision in the Budget to press ahead with the pensions cold-calling ban is welcome. However, if the reason for this ban is to protect people from these calls—and I assume it is—I cannot help but wonder at the delay in implementing my own ten-minute rule Bill from 2016, which called for director-level responsibility for nuisance calls. The UK Government support this and have repeatedly said so. They even reprinted the Bill and put it in the name of one of their own Back-Bench MPs, which is ironic given that the Bill tries to deal with scamming, but still no date for implementation has been set.

The delay in reducing the stake for fixed odds betting terminals is appalling, because it is down to pressure exerted by Back-Bench Tory MPs who appear to be in thrall to the bookmaking industry. This is a pressing issue in my constituency because we have 135 of these machines, with local players losing an estimated £5 million on those terminals in 2016 alone, causing untold misery across our communities.

I could go on, but I will end by saying this: this Budget does almost nothing to improve the lives of my constituents and is a massive missed opportunity. I

[Patricia Gibson]

think so and I am sure the majority of my constituents will think so, too. The Chancellor needs to go back to the drawing board.

6.23 pm

**Vicky Ford** (Chelmsford) (Con): It is a pleasure to speak in favour of the Budget tonight. The decade since the financial crisis has been tough, and it is very good to know that the corner has been turned. The economy must come first, because without a strong economy we cannot afford other priorities such as healthcare, welfare, defence and education. Today in Chelmsford unemployment stands at 1.6%; we have record numbers of jobs and opportunities. We know that politicians do not make jobs—businesses do—but we can help. Businesses often tell me how low corporation taxes have helped them to invest here. Chelmsford businesses ask me for lower business rates, fixed VAT thresholds and a level playing field between online and offline trade, because tech giants should pay tax too. I am really glad that all three of those asks have been addressed in the Budget.

We know that innovation drives growth and keeps us ahead of the pack, and I am proud that this Government have increased investment in science and research by more than any Government in the past 40 years. We on this side do not underestimate the importance of collaboration in science, which is why our EU strategy keeps us in those European networks. I am glad that the Minister for Immigration is here. She knows that we need a fair and fast immigration system to enable scientists to continue to come here.

Fundamental research in science is key. Ideas involving liquid crystals, molecular machines and gas phase chemistry were once just intellectual curiosities, but they have now driven real transformational breakthroughs. We need to ensure that the ideas we have here are made into reality here. The hon. Member for Newcastle upon Tyne Central (Chi Onwurah) dismissed quantum technology as a “sexy” sector, but my biggest employer in Chelmsford has embraced the quantum revolution. It has made the cold atom trap—

**Chi Onwurah:** I thank the hon. Lady for giving way in what is the final Back-Bench speech of the debate. I feel that it is wholly unjustified to say that I should not call technology sexy. One of the things I would like to do as an engineer is to show people how sexy and important technology and engineering are. Calling it sexy was not dismissing it. I was just saying that we need to celebrate all different types of technology, not just quantum technology.

**Vicky Ford:** Maybe it was the tone that felt dismissive. In my constituency, we have embraced quantum technology. We are making a cold atom trap and the oscillator for a quantum clock. There is nothing wrong with being in a “sexy” sector. Last week, that employer called in 120 of its lowest-paid workers and gave them a pay rise of between 8% and 18%. These are real products, real sales, real profits and real pay rises. That is what will drive our country’s future.

I thank the Treasury for the investment in infrastructure. People in my constituency spend too much time in traffic jams and on delayed trains. It is a waste of their personal time and it hits the country’s productivity.

We are building tens of thousands of homes in my constituency, and we need the infrastructure too. We need the second railway station and the north-east bypass, and we have got our bids in to the housing infrastructure fund—it is great to see that fund being increased—and the local roads fund. We need money for main roads, cash for cycleways and pounds for our potholes, but in Chelmsford, my pinch point is the ancient Army and Navy flyover. I want our local roads fund to be Ford’s flyover fund, please.

There are three other things in the Budget that I would really like to praise. The first is the tax on virgin plastics. We need a game changer in the way we use plastics on this planet, and I am really glad that Britain is leading the way on this. The second is the improvement in universal credit. That is welcomed not only by us on this side of the Chamber but by the Joseph Rowntree Foundation, the Trussell Trust and the Resolution Foundation. All those organisations are real experts in fighting poverty. The third thing is the massive boost for the NHS in the form of £20 billion for health and mental health, which is not funded through hiking up taxes. We are putting more money into the pockets of our lowest-paid workers by freezing and raising their tax thresholds.

There is a great deal in this Budget to be proud of, and I am proud to be the last Back-Bencher to speak in favour of it tonight.

6.29 pm

**Anneliese Dodds** (Oxford East) (Lab/Co-op): It is a pleasure to follow the hon. Member for Chelmsford (Vicky Ford). I may not always agree with her—I do not agree with her assessment of the Budget—but I know that she is passionate about science. I fear she misunderstood: she has a shared passion for science with my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah), particularly for quantum physics. Indeed, my hon. Friend has visited physics facilities in my constituency, so she and the hon. Member for Chelmsford are perfectly in accord.

We have heard some excellent contributions today, with important points being made on both sides of the House, and I will refer to as many of them as I can in the time available. As many Members have suggested, this is sadly a complacent Budget, and that accusation came not only from the Opposition during this debate. That complacency was perhaps at its starkest in the Chancellor’s assessment of our country’s economic health, and I was surprised to hear that repeated by the Secretary of State for Business, Energy and Industrial Strategy. He is usually a stickler for detail, but he seemed to suggest this afternoon that the estimates underlying the Government’s plans could be revised upwards if a good deal was done with the EU. However, those estimates already presuppose that a deal along the lines advocated by his Prime Minister will be struck with the EU, a fact which is obviously being challenged by many Conservative Back Benchers. Such hubris is reckless in the extreme.

At the beginning of the Red Book, we see the claim that the Government’s approach has created a so-called “stronger and fairer economy”, but the statistics tell a different story, as we have heard throughout today’s debate. The one indicator that the Government frequently refer to is the employment rate. Now, of course it is positive to see an increase in the proportion of people

working, but we must be careful because that has not happened everywhere. For example, IPPR North has shown that there are now 25,000 fewer jobs in the north-east than in the immediate aftermath of the financial crisis in 2008. We should have had a full recovery, but we have not.

It is deeply complacent of this Government continually to fail to acknowledge the burgeoning proportion of people who are now in insecure work—one in nine working people. My hon. Friend the Member for Oldham West and Royton (Jim McMahon) painted a disturbing picture of the reality of the workings lives of many of his constituents. If we MPs, as a body of people, were in the same position as our constituents, over a quarter of Government Members would not know from one week to the next how many hours they would be likely to work. That may come to pass anyway in the fullness of time but, to be serious, that high rate of insecurity—among one in nine people—is deeply damaging.

The problem has of course been exacerbated by low wages, and here I must point out the Government's brass neck. They argue that wage growth is at its strongest in 10 years, omitting the fact that this welcome upturn has come after the longest period of wage stagnation since Napoleonic times, all of which—outside the immediate impact of the financial crisis—came on their watch. The increased so-called living wage proposed in this Budget falls short of the £10 an hour that is needed to lift people out of poverty pay.

Finally, as many colleagues have mentioned, the changes to universal credit only repair half the damage done to the system in 2015, and there is nothing in the Budget to repair the damage done to the incomes of disabled people, as was rightly referred to by my hon. Friend the Member for Battersea (Marsha De Cordova). Taken together, insecure work, low wages and cuts to social security have meant that, for the first time in many decades, getting into work no longer means leaving poverty behind. Two thirds of children living in poverty are now in working households.

It is little wonder then that personal debt is rising, as referred to by the right hon. Member for Sevenoaks (Sir Michael Fallon), who pointed out that current levels of saving are at their lowest for 50 years. While we have seen some change, there has been no adoption of the measures that Labour has advocated to combat out-of-control overdraft fees or credit card debt. It is perhaps no wonder in such circumstances that so many people now feel that the economy is simply no longer working for them, as shown clearly in polling undertaken in September for the IPPR.

The indicators for the future are deeply worrying. Yesterday my right hon. Friend the Member for Enfield North (Joan Ryan) rightly quoted extensively from the OBR's commentary, and I will not repeat her words or the OBR's at this point. Suffice it to say that surely there is little room for celebration when we learn that GDP growth in future years has had to be revised down, business investment is falling and our levels of productivity growth are so much lower than those in comparable countries.

My right hon. Friend the Member for North Durham (Mr Jones) and my hon. Friend the Member for Coventry South (Mr Cunningham) clearly set out how different the situation was under Labour, which indicates how short the memories are of some Conservative Members.

I respectfully suggest to the hon. Member for Wimbledon (Stephen Hammond) that perhaps he needs to have a word with his former Chancellor, George Osborne, given the latter's recent comments, as well as with the many economists and international leaders who praised Gordon Brown's approach to dealing with the financial crisis.

Are the Government finally moving in the right direction to protect our economic future? The evidence of this Budget suggests otherwise. It proposes a temporary increase in the annual investment allowance to £1 million and a new allowance for investment in non-residential structures and buildings but, at the same time, it continues to choke off the nascent onshore wind and energy efficiency industries in this country with its frankly reactionary approach to regulation and support. Appallingly, investment in renewables is going down—it fell by 56% last year—bucking the trend in many comparable countries. My hon. Friends the Members for Ynys Môn (Albert Owen) and for Vale of Clwyd (Chris Ruane) spoke forcefully on that issue, as on others.

We also have worrying falls in investment in the motor industry. I pay tribute to the work of my hon. Friend the Member for West Bromwich West (Mr Bailey), and I thank him for his pertinent remarks in this debate. I also thank my hon. Friend the Member for Warwick and Leamington (Matt Western), who made similar points.

Today, as on Monday, we were told that this Government will facilitate a renaissance on our high streets. Well, let us look more closely at the current proposals. The suggested changes to business rates only make good on the damage due to the Government's botched evaluation back in 2017.

The shadow Minister for industrial strategy, science and innovation, my hon. Friend the Member for Newcastle upon Tyne Central, rightly made it clear that we desperately need not these temporary measures but a proper root-and-branch review of the business rates system. That is particularly important as a growing number of local authorities are expected to rely solely on council tax and business rates to fund local services. In this debate we have heard about the human impact of the cuts to central funding for local government in both St Helens North and Vale of Clwyd. The impact is very worrying.

When local authorities complain about the situation, the Government tell them, "Well, you can just go and raise council tax." That position was rightly critiqued by my hon. Friend the Member for York Central (Rachael Maskell), who also correctly pointed to the Government's lack of grip on the speculative purchase of so many properties on our high streets by tax haven-based businesses—the Government are doing very little about that.

My right hon. Friend the Member for Delyn (David Hanson) and my hon. Friend the Member for Clwyd South (Susan Elan Jones) correctly referred to the need for investment in north Wales, an approach echoed for Yorkshire by my hon. Friend the Member for Keighley (John Grogan). They all pointed out the inadequacies of the Government's current approach.

We need to be clear that this Government have chosen to continue placing the burden of cuts on the worst-off people, and they continue to expect a greater contribution from local council tax payers. It is important to note

[Anneliese Dodds]

that, under this Government, a smaller and smaller proportion of councils are able to provide council tax relief to low-income people. In many of our areas that means that council tax increasingly resembles the cruel poll tax it was meant to replace.

Again in relation to our high streets, this Government's proposals to promote further the conversion of commercial properties to residential use will starve many growing businesses of the space they need, at the same time as the Government condemn desperate householders to cramped living conditions. How many Members in this Chamber would be willing to live in a flat with a floor surface of 15 square metres? I do not see anyone putting their hand up, but such flats exist in Croydon because of this scheme. It is worth noting that that is half the recommended floor space for housing chimpanzees, and we are talking about people, not animals.

As well as dealing with that problem, we also need action from this Government to protect local amenities such as post offices. On the helpful point my hon. Friend the Member for Lewisham West and Penge (Ellie Reeves) made, the Secretary of State needs to be aware that 112 post offices closed last year.

On productivity, again we did not see the action we need to halt the relative stalling in productivity gains that we have seen in the UK compared with other nations. The £1.6 billion earmarked in the Budget for science and innovation, which the Red Book says was "announced" in this Budget, was nothing of the kind—only £56 million of it is new money. It was not announced in this Budget at all.

Sadly, we have seen minimal action from this Government to deal with the skills shortages in the UK. My hon. Friends the Members for Darlington (Jenny Chapman) and for City of Durham (Dr Blackman-Woods) both noted eloquently that widespread concerns exist about the plummeting by half in the number of adult learners since 2010 and the fact that further education funding has been slashed by a third. My hon. Friend the Member for Bury North (James Frith) also mentioned that issue, perhaps in slightly more explicit language. His anger about it reflects the frustration of many teachers and students in further education. The impact of cuts on young people was also rightly referred to by my hon. Friend the Member for Glasgow North East (Mr Sweeney), and I am grateful to him for his remarks.

During this debate, a number of Conservative Members rightly and properly represented their constituencies by voicing concerns about the lack of extra funding in this Budget for schools' running costs. My hon. Friend the Member for Keighley suggested that the so-called "little extras" patronisingly provided for in this Budget were like a disappointing Christmas present, but I would go a little further. Where I am from, Santa can be nasty as well as nice; one year my little brother had said the "worst word" one too many times, so on Christmas morning he got a stocking that was filled not with presents, but with straw. I rather suspect that his reaction was similar to that of many teachers and parents on being told that they might perhaps be able to have a "little extra" such as a whiteboard or computer for their school, when they are struggling for teachers, for teaching assistants and for basic educational materials. As my hon. Friend the Member for Reading East (Matt Rodda) said, this was an insult.

On productivity, as on so much else, this was a short-term Budget, rather than the long-term programme we need. The Chancellor this time has benefited from an unexpected windfall due to higher than expected tax receipts and lower than expected Government spending, rather than carefully engineering a successful recovery. There is no guarantee that these conditions will persist. The Chancellor had the chance this year to put public finances on a more sustainable footing, by cancelling his planned cuts to corporation tax and adopting Labour's more progressive approach to income tax, which would require the top 5% to contribute more, but he chose not to do so.

Again on the subject of revenue raising, this Budget contained a commitment to a new digital services tax. Although it was announced with much fanfare, the devil is in the detail. I will not go into detail now, because I want to hear the Minister's response, but I would just say that the safe harbour principle within that proposal for a digital services tax and the double threshold rule seem to be subject to exactly the same problems that have beset this Government when they have tried and failed to raise corporation tax from many of these digital giants; this seems to be riddled with loopholes and inadequate. What we really need is a more thorough-going approach, of the type that Labour set out in our tax transparency and enforcement programme.

In conclusion, in his opening remarks the Secretary of State said—I hope I have remembered his words correctly—that he was confident that the life sciences in our country would continue to be strong under "all scenarios" of exit from the EU. That is not what I have heard from biosciences companies, nor from firms in many other sectors. My hon. Friend the Member for St Helens North spelled out very clearly how a chaotic, no-deal Brexit would cause "economic catastrophe" for areas such as the one he represents, and indeed many others, as was highlighted by my hon. Friends the Members for Hampstead and Kilburn (Tulip Siddiq) and for Bristol North West (Darren Jones).

This week started with the Prime Minister contradicting her Chancellor over whether a no-deal Brexit would require a new economic plan. This week surely has to end with our Government waking up to the reality that they must rule out a no-deal outcome to the Brexit negotiations, and start putting our country and the jobs of our people first.

6.44 pm

**The Exchequer Secretary to the Treasury (Robert Jenrick):** This Budget demonstrates yet again that careful stewardship of the economy and meeting serious challenges in a serious way, thereby creating an environment for wealth creators to succeed, is always the right course. Now, the hard work of the British people is paying off. We see that in the record numbers in employment, with 3 million more jobs since 2010. We see it in rising real wages, with the fastest rises in real pay among the lowest paid in society. Above all, we see it in our strengthening public finances.

We see in the Budget how a stronger economy enables us to support the NHS, which will receive, as my hon. Friend the Member for Chelmsford (Vicky Ford) said, that record-breaking £20.5 billion real-terms per-year increase. Furthermore, a stronger economy has enabled us to cut taxes and to freeze the important duties—whether



on fuel, spirits or beer—so that millions of people throughout the country can enjoy more of the money that they have earned. Those achievements did not fall into the Government's lap—apologies to the Chief Secretary—they were hard won by the people of this country, and we will not be complacent. This is an optimistic, future-facing Budget, and a Budget for economic growth.

Having listened to much of the past three days of Budget debate, I could summarise the contributions from Opposition Members as wanting more spending and higher taxes. With some notable exceptions, they have had very little to say about how we grow the economy and create wealth. When asked recently, the shadow Chancellor, the right hon. Member for Hayes and Harlington (John McDonnell), could not name a single businessperson whom he admired. We on the Government Benches understand that behind every business is a story worth knowing—that cafés and gyms and restaurants do not come out of nowhere. We respect and admire these people, and this Budget is for them.

The Federation of Small Businesses, the CBI, the retailers, the convenience stores, the pubs, the oil and gas industry that supports so many thousands of jobs in north-east Scotland, and the manufacturing groups such as the EEF all support the Budget. Of course there are challenges. Of course we are in a moment of high uncertainty as we enter a pivotal stage in the Brexit negotiations, but each of those groups—and more—that I have spoken to since the Chancellor sat down believed that we were listening to them and acting. We are delivering for businesses and job creation throughout the country.

As my right hon. Friend the Member for Sevenoaks (Sir Michael Fallon) argued at the beginning of the debate, the Budget recognises that the UK has to pay its way in the world. It must be an attractive place for people to invest. To ensure that it is, we have cut corporation tax from 28% to 19%, and receipts have risen by 55%. We have reaffirmed the incentives for entrepreneurs that are attractive for people—including those in the constituency of the hon. Member for Hampstead and Kilburn (Tulip Siddiq)—who come here from all over the world. They are attracted here because it is a great place to create businesses, and that is driving the unicorns and tech businesses of this country.

We are extending the start-up loan scheme, and as we have already heard, we have increased the annual investment allowance from £200,000 to £1 million. We have listened to manufacturing businesses, particularly in the midlands and the north, that want to invest in plant, machinery and digital technology. This is about not just the sexy technologies that we heard about earlier but ensuring that manufacturing in this country can continue to thrive.

For working people, we are increasing the national living wage from April and thereby contributing to rising real wages, and we are giving a tax cut to 32 million people throughout the country by increasing the personal allowance and the higher-rate threshold. As we heard at Prime Minister's questions, it is still unclear whether the Labour party supports that tax cut. The shadow Chancellor reluctantly says he agrees with it, the shadow Foreign Secretary, the right hon. Member for Islington South and Finsbury (Emily Thornberry), says otherwise, and

the Mayor of Greater Manchester says that shadow Chancellor's views send a shiver down his spine—and that was before Halloween.

We believe that everyone in this country should pay their fair share of tax. There are measures, which we have heard about from right hon. and hon. Members in this Budget debate, to continue to close the tax gap. It is at a near record low, and lower than it was in any year of the previous Labour Government. This Budget does create the world's first digital services tax.

**Mr Kevan Jones:** On a point of order, Mr Deputy Speaker. We have had a very good debate this afternoon, and there have been some great contributions from all parts of this House. Members can call me old-fashioned, but I thought that the role of the Minister replying to the debate was to address the issues that have been raised in this debate. He has now been on his feet for nearly six minutes, and apart from some reference to two Conservative Members, he is making just a general speech, which he could have done in an opening speech.

**Mr Deputy Speaker (Sir Lindsay Hoyle):** The Minister has got time to address the issues, and I am sure that that is where he will take us now.

**Robert Jenrick:** That was unfair, because I am addressing the points that have been raised by Members from all parts of the House. *[Interruption.]* The right hon. Member for North Durham (Mr Jones) may not like the answers, but I am providing them. With respect to the digital services tax—it is a tax that has been mentioned by numerous Members across the House—we are the first major country to do this, and it will raise in excess of £1.5 billion, ensuring that, in our thriving economy, our tech-friendly economy, those who generate value from UK users will pay a fair contribution to tax. We look forward to publishing more information and to the consultation on that, which, clearly, hon. Members may wish to take part in.

We chose in this Budget to invest in the long-term economic infrastructure of the country—a subject that has been raised by a number of my colleagues—raising investment levels in this country to the highest sustained level in my lifetime. That is the mark of a mature economy, which is not just spending everything on immediate consumption, but spending money for long-term investment. Public capital investment in this country will be £460 million a week higher under this Government than it was under the previous Labour Government. We have heard some of the ways that we will spend that. We will spend it by increasing investment in our roads—in every type of road. A number of colleagues from across the House—

**Mr Kevan Jones:** Which Members?

**Robert Jenrick:** Well, there was my hon. Friend the Member for Chelmsford (Vicky Ford), for example. She made a representation for the Chelmsford flyover, and we will deliver on that. Let me say one other thing in response to the right hon. Member for North Durham: we listened to those Labour Members who came to see us at the Treasury with genuine representations to grow the economy, but they were few and far between. There was the hon. Member for Bassetlaw (John Mann), for example, and we responded to his requests—*[Interruption.]*

**Mr Deputy Speaker:** Order. Mr Jones, you are testing my patience. You did say, “Call me old-fashioned”, well, old-fashioned usually has values with it, and you are not showing the best values right now. Come on, Minister.

**Robert Jenrick:** We are investing in a whole range of different infrastructure projects, which will make a huge difference to the future of this country, from the productivity pinchpoints to investing in potholes. We did hear from a number of Members today a slightly snobbish attitude to investing in potholes, but these things matter to ordinary people. They matter to people in my northern constituency of Newark. They matter to people in Walsall, in Halesowen, in Stoke-on-Trent, in Mansfield and in towns that we have heard about here and, in fact, in towns across the whole country, including in the right hon. Gentleman’s constituency.

**Mr Kevan Jones:** Where is it?

**Robert Jenrick:** In North Durham. [HON. MEMBERS: “Ah!”] Yes, there you go. Incidentally, the last time that the right hon. Gentleman and I sparred was over cleaning up illegal waste sites.

**Mr Jones:** You have done nothing about that either.

**Robert Jenrick:** Well, you have not read the Red Book, because we put £10 million—[*Interruption.*]

**Mr Deputy Speaker:** Order. It might be helpful if you both addressed the House without having a personal debate between the two of you. Come on, Minister.

**Robert Jenrick:** We have heard in this debate that this is a Budget for high streets and town centres. With great respect, the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) said that we had borrowed one point of the Labour party’s five-point plan for the high street, and that is true, we did—we are committing to pilot a register of empty shops—but we looked at the other four points in the plan and, frankly, they were thin gruel. We decided that we could do better, and we have.

We are providing a 30% discount to small businesses, affecting 90% of our retailers across the country, and we have created a £675 million future high streets fund—a competitive fund for people across the House and across the country to bid into to secure between £5 million and £25 million to transform their towns. I was surprised that Opposition Members repeatedly criticised the idea of having more homes in town centres, because that is not what the public say. We want vibrant communities in our town centres, and we want to make it cheaper and easier to create shops, workplaces and homes there.

We also heard about great ideas in the Budget. We have to grow the economy in all parts of the country. For example, we heard from my hon. Friend the Member for Middlesbrough South and East Cleveland (Mr Clarke) about the special economic area that we are creating in Teesside, working in partnership with the hon. Member for Redcar (Anna Turley). That has the potential to transform investment in that area.

**Anna Turley:** Will the Minister say a little more about what this economic area is? If it is just keeping business rates locally, local authorities will be able to do that next

year anyway. Will he indicate a bit more what it will be exactly and what it will mean for the clear-up of the site?

**Robert Jenrick:** I am happy to give the hon. Lady further details. We shall provide business rates retention, and we promised that in the spending review we shall consider whether it is possible to enhance the capital allowances. We have provided £14 million up front to ensure that two plots of land on the site are remediated so that jobs and investment can come in as soon as possible.

We have also announced new university-linked enterprise zones and a competition for more development corporations, starting with one we announced a month ago at Toton in the east midlands. We made an announcement about realising the potential of the Oxford-to-Cambridge arc of opportunity, with a new expressway and railway linking Oxford and Cambridge, and I am sure that the constituency of the hon. Member for Cambridge (Daniel Zeichner), with whom I have spoken about it on a number of occasions, will benefit.

In Coventry, we will support the automotive sector. We are in regular conversation with JLR about the issues described by the hon. Member for Coventry South (Mr Cunningham). In the Budget, we announced funding not only for Coventry as city of culture but, at the request of Mayor Andy Street, for a centre for autonomous vehicles in the city, which I hope will build on the great reputation of the automotive sector.

**Albert Owen:** Will the Minister give way?

**Robert Jenrick:** With great respect, I shall not give way. I apologise, but there is not enough time now.

The Secretary of State said in his opening remarks that this is a Budget for skills, innovation and progress. We believe that this is an exciting time to be alive. We want to support innovation to drive the economy forward. We are investing £1.6 billion—

**Albert Owen:** On a point of order, Mr Deputy Speaker. The Minister said that he was responding to the debate, but three Members from north Wales raised the bid for the north Wales growth deal. The Chancellor only mentioned Wales twice in his Budget, although the Minister said that it was for the whole United Kingdom. Will he address some of the points made by some of the Members from Wales?

**Mr Deputy Speaker (Sir Lindsay Hoyle):** I can assure you that that is not a point of order, but you have got it on the record.

**Robert Jenrick:** I am happy to speak to the hon. Gentleman later, but time does not allow now. As he knows, the Budget does commit to a north Wales growth deal. I shall be happy to discuss that further with him.

To conclude, this is a Budget that looks to the future. It is optimistic about our economic potential. It invests in the science and innovation that will drive the economy forward in the years ahead. We have a choice: either we can follow the tired ideas of Opposition Front Benchers, pursuing policies that we know have failed in the past, a ship sailing on yesterday’s wind, or, like Conservative Members, we can look to the future with confidence, and we can champion entrepreneurship, innovation and the wealth creators in society. This is a Budget that

seeks to inspire a new generation to succeed, to excel and to prosper, with policies that will make the economy and the country stronger. I urge Members in all parts of the House to support the Budget in the Lobby tomorrow.

*Ordered*, That the debate be now adjourned.—(*Mike Freer*.)

*Debate to be resumed tomorrow.*

## PETITION

### Closure of Ward 6, Bishop Auckland General Hospital

6.59 pm

**Helen Goodman** (Bishop Auckland) (Lab): I should like to present a petition from the people of County Durham to save ward 6 of Bishop Auckland Hospital. Bishop Auckland Hospital is extremely popular with local people, and consequently 14,196 people have signed this petition. It was a surprise when the proposal to close ward 6—a 24-bed ward with 30 nurses working on it—was put forward. No clear justification has yet been made for the closure. If it is because the management believe that care would be better delivered in the community, they should be putting more money into the district nurse team. They are not doing that, which leads us to believe that this is a straightforward funding cut.

The petition states:

The petition of residents of County Durham,

Declares that the government's policy of underfunding the NHS, our country's most valued institution, is leading to the closure of Ward 6 of Bishop Auckland General Hospital.

The petitioners therefore request that the House of Commons urges the Department for Health and Social Care to fund the County Durham and Darlington NHS Foundation Trust sufficiently to prevent further closures to services, including those in Ward 6.

And the petitioners remain, etc.

[P002281]

## Air Pollution: A10 and Broxbourne

*Motion made, and Question proposed*, That this House do now adjourn.—(*Michelle Donelan*.)

7.1 pm

**Mr Charles Walker** (Broxbourne) (Con): Thank you, Mr Deputy Speaker, for calling me to speak in tonight's Adjournment debate on air pollution around the A10 and Broxbourne—a matter close to my heart because I happen to live near the A10, in the constituency of Broxbourne, in the borough of Broxbourne. I am never happier than when representing my constituency in the Chamber of the House of Commons. It is why I was elected to serve in this place—to give a voice to my constituents' concerns on the Floor of this place.

On 5 October, I received a letter by email from the Minister to say that the A10 running through Broxbourne—the spine of Broxbourne—had some of the highest roadside concentrations of nitrogen dioxide in the country. This is a cause of great concern to many. However, I am well aware that the Government will be working closely with Hertfordshire County Council and Broxbourne Borough Council to address the problem. I accept fully the Government's reassurances that this is a collective priority of both national Government and local government.

**Jim Shannon** (Strangford) (DUP): I thank the hon. Gentleman for raising the issue of air pollution. Air pollution is not a significant issue in only one constituency—it also applies to my own. To address pollution in Northern Ireland, the ecarNI project consists of a consortium of public and private sector organisations working together to bring benefits to our environment, society and economy. I spoke to the hon. Gentleman about this beforehand. Does he agree that more needs to be done to increase both the number of electric cars on our roads and access to charging points through grants and other incentives, thereby reducing air pollution?

**Mr Walker**: I agree that if we want to promote electric cars, we have to have ease of access to the energy that powers them, so more charging points would seem to be absolutely essential in the drive to get more people transporting themselves around in electric cars. I thank the hon. Gentleman for making that point.

On 5 October, I received the letter—the email—from the Minister alerting me to the pollution levels on the A10. I have to say that I am disappointed, not by the conduct of the Minister but the conduct of the Environment Agency in relation to a really important local issue going on in my constituency that has a direct bearing on this pollution.

The background to this is that Veolia has put forward a planning application for a massive 350,000-tonne incinerator in my constituency, which has generated a huge amount of local concern. We have just had a public inquiry, and it is now being considered by the chair of that inquiry. What is deeply irritating is that the public inquiry closed on 2 August—the very same date that I received a letter from the Environment Agency saying that it was minded to grant the permit to the Rye House energy recovery facility on Ratty's Lane. I am stunned that it chose to write to me to announce that on 2 August, and I am further amazed that originally it

[Mr Charles Walker]

wanted to close its consultation on 30 August. After interventions from myself and others, the consultation period ran to 24 September.

It simply is not good enough for the Environment Agency to have entirely ignored in its draft determination the major issues relating to nitrogen dioxide on the A10—I am sure that it would have known about that. It is worth drawing the House's attention to the covering letter of the draft determination, which is extraordinary Whitehall speak. I will take the edited highlights on page 1 and thread them together. The EA starts:

“Unless the document explains otherwise, we have accepted the Applicant's proposals. The document is in draft at this stage, because we have yet to make a final decision.”

The first sentence says that the EA has accepted the applicant's proposals, and the sentence after states that the document is in draft because it has yet to make a final decision. However, it goes on to say:

“Our mind remains open at this stage... unless we receive information that leads us to alter the conditions in the draft Permit, or to reject the Application altogether, we will issue the Permit in its current form.”

Then, in a piece of Orwellian double-speak, the EA says:

“In this document we frequently say ‘we have decided’. That gives the impression that our mind is already made up; but as we have explained above, we have not yet done so. The language we use enables this document to become the final decision document in due course with no more re-drafting than is absolutely necessary.”

What a load of phooey and rubbish—I am not sure that “phooey” is a parliamentary word, but once it is in *Hansard*, perhaps it will become so.

It is impossible to imagine that the EA was not aware of the information about nitrogen dioxide on the A10 when looking at the draft permit. As I said, there is a planning application before the planning inspector for a 350,000-tonne incinerator in my constituency. Of course, it would be entirely legitimate for Members to say, “Well, Mr Walker, you're just a nimby, aren't you?” But unlike on most occasions when someone is accused of being a nimby, I can come up with a good defence. The proposed site for the 350,000-tonne incinerator already has a 750 MW power station next to it—that is a lot of megawatts—as well as a 90,000-tonne refuse-derived fuel plant and a 66,000-tonne anaerobic digester. We are doing our bit for Hertfordshire.

On top of that, if the 350,000-tonne incinerator goes ahead, a further 97,820 HGV movements from diesel lorries will be generated in my constituency up the A10. My voice is rising because that is not good enough. Another 97,820 HGV movements up the A10 and down the link road where, at a measuring station, nitrogen dioxide levels are already 35% above acceptable air quality standards, is not acceptable. Another 98,000 lorries is not compatible with any pledge that I or my council has been given about taking seriously the business of this pollution on the A10.

I am aware that some of the proponents of this power station have been touring various party political conferences—perhaps those populated by Conservative Members, but not me—saying, “Does that Charles Walker wield undue influence?” Do I wield undue influence on behalf of my constituents? Mr Deputy Speaker, I say to you that the only influence I wield is the voice that

I bring to this place—the Chamber of the House of Commons. When Broxbourne is doing its bit on power generation and on recycling, and is paying the cost of that right now—air pollution up the A10 is at some of the highest levels in the country—it is a pretty rum deal that we are being asked to do even more and to bear even more of this burden. It is not credible that the Environment Agency did not factor this into its decision making on the draft permit.

I am not known for going on at great length in this place, and I feel that if I was to add further to my speech, I would be going over old ground. I will just conclude with a quote from the Royal College of Physicians. It has written to me about tonight's Adjournment debate, so concerned is it for my constituents. It states:

“The negative health impacts of air pollution can and must be mitigated. Closer working between different government departments to deliver strict enforcement of air quality limits, and transition to clean fuels and renewable energy sources will go some way to reducing our exposure to air pollution.”

I want to start seeing such joined-up thinking, and my constituents want to experience that joined-up thinking, because right now they are feeling extremely let down and, dare I say it, extremely vulnerable to events over which they do not seem to have any control. As I say, the public planning inquiry for this incinerator ended on 2 August, which was too late—I repeat, too late—for the new evidence, which I have presented on the Floor of the House today, to be inserted as part of my constituents' representations, and that is a pretty poor show.

7.12 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey):** It is a pleasure to serve under your chairmanship, Mr Deputy Speaker. I congratulate my hon. Friend the Member for Broxbourne (Mr Walker) on securing this important debate, as well as on bringing to the attention of the House the specific challenges we face on the stretch of the A10 in the Broxbourne constituency, the wider importance of tackling poor air quality and, indeed, the impact of the potential incinerator.

I understand that my hon. Friend is particularly concerned about the impact of the proposed plant, and about the possible increase in the number of HGV movements further worsening the air quality. He will be aware that the application has been called in by the Secretary of State for Housing, Communities and Local Government for his own determination. It would not be appropriate for me to make direct comment on the application, as the final decision now lies with the Secretary of State. I am absolutely convinced that he will take into consideration all the relevant information regarding the application.

It is fair to say that the Environment Agency is an independent regulator, so I do not have any control over how it considers approving permits. I share my hon. Friend's frustration about the legalese that is often in such documents, but we have to recognise that this is a quasi-judicial process. My general expectation is that the Environment Agency would consider the impact of the proposed development itself, rather than its location. However, the formal planning process should consider the location, including the travel routes and the impact it may have on the environment, including the air quality, in determining whether the development should go ahead.

However, as I said, this is now in the hands of the Secretary of State for Housing, Communities and Local Government.

My hon. Friend mentioned the point raised by the Royal College of Physicians; I am glad that it has shown an interest in this debate. It is important that I should start by providing some context. Overall, air quality has been improving in this country, but we are still falling short on a specific element of air pollution: roadside concentrations of nitrogen dioxide.

We are not alone in that across the European Union. Current air quality problems, particularly on NO<sub>2</sub>, are in large part caused by the EU's failed regime for vehicle emissions testing: cars were deemed to have passed the test of operation within NO<sub>2</sub> limits, when, for several manufacturers, that was far from the truth. Eighteen other EU member states, including Germany, France, Italy and Spain, are also breaching air pollution limits as a result of that failed testing regime.

A former UK Government took the decision to encourage diesel vehicles, to tackle the challenge of climate change and reduce carbon. Although we may have benefited in that regard, we are now absolutely suffering given the impact on air quality. The combined effect of those two factors means that we are having to go much further than was anticipated on tackling the NO<sub>2</sub> air quality challenge when the UK signed up to the targets, prior to 2010.

Air pollution has reduced significantly since 2010—emissions of nitrogen oxides have fallen by almost 27% and are at their lowest level since records began. But there is clearly more to do. That is why the Government have committed £3.5 billion to transport and improved air quality, including £1.5 billion support for electric vehicles, £1.2 billion for cycling and walking, and £475 million specifically in support of the activity resulting from the UK plan for tackling roadside nitrogen dioxide emissions. I should remind myself that, after the votes tomorrow, a further £20 million in funding will be allocated by the Budget to support more local authorities to meet their air quality obligations.

In Broxbourne specifically, the Government have already provided a quarter of a million pounds to retrofit buses with pollution-reducing technology. The Government are also taking regulatory action. We have already made clear our intention to end the sale of new conventional diesel and petrol cars and vans by 2040, and have implemented a vehicle excise duty surcharge on new diesel vehicles until the cleanest models come on the market. We will also be publishing a clean air strategy before the end of the year, which will set goals working towards World Health Organisation recommendations on particulate matter emissions. That goes further than what the EU requires, and we have also committed to new legislation on air quality.

I should point out that councils already have many powers to tackle air quality and a legal duty to do so; awaiting any new legislation that may arise should not be an excuse to avoid action now. All councils have existing legal obligations on monitoring air quality, establishing air quality management areas and devising action plans to address the issue. Some time ago, I wrote to several councils with long-standing issues to challenge them on what action they were taking locally to tackle the problem.

Tonight, my hon. Friend has raised the A10 in his constituency of Broxbourne—specifically, the stretch of the A10 between the B198 and the slip road to the A1170, near the retail park in Cheshunt. The A10 road link was initially identified as moderately exceeding nitrogen dioxide limits, according to the central national model used by the Government for reporting compliance to the European Commission, in line with the ambient air quality directive requirements. I contacted Broxbourne Borough Council about this matter and I am pleased to say that an air quality management area for part of the A10 has already been established.

As the House will be aware, the High Court required the Government to take a more direct legal approach with those local authorities responsible for roads such as this, which our projections indicated would become compliant with legal limits within the next few years. To that effect, I issued ministerial directions and offered support to 33 local authorities to take more detailed study and action. As part of that work, Broxbourne has carried out a detailed study of the A10 road link in question, using local modelling data, which gives a much more granular, representative picture of air quality on that road. The study was submitted to the Government on 31 July this year, as required by the ministerial direction.

Some variance between the national model and the output of a local study is to be expected. That reflects the level of detail that can be modelled at a national level. It is also important to add that the latest 2017 reporting data suggests that our previous projections were overall more pessimistic than other projections, and that nitrogen dioxide levels at a national level have fallen faster than expected.

However, the Broxbourne study clearly identified a much more significant problem than the national model, projecting that this stretch of road will see emissions that exceed the legal limit until 2028 if no further action is taken. That is clearly unacceptable. Now that both the council and the Government have a greater understanding of the problem, our priority is to work with Broxbourne Borough Council to find a means of addressing this as quickly as possible.

I recognise that this is a stretch of road that presents a number of challenges due to the sheer amount of traffic using the route into and out of London and on to the M25, as well as the numerous junctions in the area and the importance of the route in relation to key international transport hubs.

Earlier this month, I issued Broxbourne Borough Council with a further ministerial direction requiring it to carry out a more detailed study to identify the most suitable measures to address the exceedance in the shortest time possible. The deadlines for that work include an initial plan by 31 January 2019 and a final plan by 31 October 2019, and sooner where possible. That is a challenging deadline, in particular as the work includes more detailed local transport and air quality modelling to really understand what is happening in the local area and understand what solutions can be found to reduce nitrogen dioxide levels on this specific stretch of road. We can then provide Broxbourne with the funding to implement the solutions.

There is joint working: I am pleased to say that the Department for Transport and my Department have established a joint air quality unit, with officials from

[Dr Thérèse Coffey]

the two Departments working together. They have already provided detailed guidance and will be supporting local councils as they develop this work. The unit is already working closely with Broxbourne, having held a workshop last week to explain the process over the next 12 months and the support we will be offering. We will shortly be providing a further £100,000 of funding to get this process under way. The council is now actively considering what measures could bring forward compliance with legal limits as soon as possible, which could include a charging clean air zone.

We will also continue to work closely with other parties responsible for roads that interact with the A10 and which may also be able to take action that could have an impact on this link. As I have said, the M25 is a major source of traffic on and off the A10, so we will ensure that Highways England is engaging with Broxbourne to understand these actions and to identify what complementary actions can be taken to drive improvements.

I will also continue to press the Mayor of London on the need to take robust action to address very high emissions in the capital. Specifically, we will need to understand what the impacts will be on the traffic coming into and out of London on the A10 as a result of the tightening of the standards for the London-wide low emission zone for HGVs.

**Mr Charles Walker:** I know the Minister will not be able to comment on this, but may I just restate my constituents' irritation that despite all these words of concern a planning application for a 350,000-tonne incinerator that will pump further nitrogen dioxide into the Broxbourne-Lee valley and generate another 97,820 lorry movements is not compatible with the desire to reduce nitrogen dioxide levels?

**Dr Coffey:** I understand that. Broxbourne has come to the attention of the Government via national modelling and local modelling specifically because of nitrogen dioxide emissions on that stretch of road. That is why the Government are working directly with Broxbourne. I have already indicated to my hon. Friend that the Secretary of State for Housing, Communities and Local Government will be making the determination. I fully expect that the location and the travel routes that are being proposed would be part of his consideration.

I pay tribute to Broxbourne Borough Council, as I believe it has embraced this important situation with a positive attitude. It appears to recognise that what may appear to be politically difficult decisions on tackling air quality still have to be taken in a timely manner to proactively improve air quality. Frankly, I wish more councils would act in such a proactive manner. I have already suggested to my hon. Friend that I cannot comment directly on the application. I have to leave it at the comments that I have made twice to the House now on the process and next steps.

I also commend the hon. Member for Strangford (Jim Shannon) for his commitment to the issue. He talked about the importance of improving air quality across the United Kingdom. He will be aware that how this gets tackled is a devolved matter, but I am sure that he will support the positive action that is being taken to

increase the opportunities for electric charging and similar. He and I were together at the bike ride for the poppy appeal—[*Interruption.*] Indeed, you took part, too, Mr Deputy Speaker. I am pleased to say that he and I managed to achieve the same distance on the electric bike and that we were not the slowest—but nor were we the fastest.

I know that my hon. Friend the Member for Broxbourne is keen to see quick progress. I am conscious of the decision that he wants the Secretary of State to make on this matter, but I stress to the House that it is important that we work together on the impacts of air pollution. I am conscious of what he said about lorry movements today.

I thought it might be worth adding that, although we have largely been talking about the impact of NO<sub>2</sub> emissions, the other challenge that people are increasingly becoming aware of—I expect that the Royal College of Physicians is increasingly pressing the case on this—is tackling the issue of particulate matter. This tends to be soot and dust—that is largely the way of describing it—and the width of a human hair is 10 times more than the size of one of these elements of particulate matter. That gives hon. Members an indication of quite how tiny these elements are.

Yesterday, today and tomorrow, the World Health Organisation is holding its first ever global conference on the impact of air pollution on human health. I am conscious that my hon. Friend is very concerned about the impact on the health of his residents, particularly along the A10. I am really pleased that this issue is gaining traction. One challenge of NO<sub>2</sub> emissions—I point out that we are absolutely compliant with the law on particulate matter emissions—is that NO<sub>2</sub> particularly affects those who are already vulnerable to poor health, whether they are little children, people with asthma or elderly people. The challenge of particulate matter is that it pretty much has an impact on everybody. It is one of those things—it can simply get through our internal systems and cause difficulties when we breathe in. The Committee on the Medical Effects of Air Pollutants has re-released figures that suggest that the deaths of fewer than 40,000 people can be attributed to the impact of air pollution, but that is still 40,000 people too many.

This is a challenge that we face as a country. We have been praised by the WHO on what we are trying to do about particulate matter. It is why there has been a call for evidence, which has closed, on particulate matter coming from tyres and brakes—I am conscious that that may well be a consideration in terms of the HGVs, as well as other vehicles, along the A10. We have also undertaken a consultation on the impact of domestic burning, which accounts for about 40% of the particulate matter generated in this country.

The Government are taking a holistic approach to how we tackle climate change and air quality. It is important that the two go together. We need to put more focus on the actions that each of us can take to improve air quality in our homes and communities, and I assure the House that the Government are treating this as very important indeed. Our intention is to continue to improve air quality for all the associated public health benefits. We are taking action alongside Broxbourne Borough Council and across the country to realise this

vision. I thank my hon. Friend again for affording me the opportunity to respond to his concerns in this debate. 7.29 pm

*Question put and agreed to.*

*House adjourned.*





## Westminster Hall

*Wednesday 31 October 2018*

[MR PHILIP DAVIES *in the Chair*]

### Hospice Funding and the NHS Pay Award

9.30 am

**Liz McInnes** (Heywood and Middleton) (Lab): I beg to move,

That this House has considered hospice funding and the NHS pay award.

It is a pleasure to serve under your chairmanship, Mr Davies. I welcome everyone to the debate. It is half-past nine in the morning, and the good number of people attending highlights the importance of, and interest in, this subject. I am pleased to have been able to secure the debate.

When the Government announced that they would give our hardworking national health service staff a pay award that freed them from the constraints of the 1% public sector pay cap and was definitely higher than the pay freeze that many NHS staff have endured since 2010, I—like many MPs, I am sure—was very pleased for those staff, especially as I used to be one of them. When I worked as a clinical scientist in the NHS, I saw my take-home pay reduce year on year from 2010 to 2014, at which time I was elected to this place.

My message is certainly not that our hard-working NHS staff do not deserve this pay award; they deserve it, and more. The question is how the pay award will be funded by the charitable sector that is commissioned to provide NHS services. In April this year, I was contacted by the chief executive of my local hospice, Springhill, which provides end of life care to my constituents in Heywood and Middleton and to the wider borough of Rochdale. I am pleased to see my hon. Friend the Member for Rochdale (Tony Lloyd) in his place; while the hospice serves the whole borough, it is in his constituency, and I am sure he will have a useful contribution to make.

The chief executive of my local hospice raised three issues with me. The first was whether the Government have considered the impact of the increases in NHS pay on the hospice sector.

**Chris Green** (Bolton West) (Con): This is an incredibly important topic for debate, not least for Bolton Hospice, which is just outside my constituency. Does the hon. Lady agree that the pay increase causes problems not only in staff retention, but in the recruitment of new staff? We need very dedicated and skilled nurses to work in our hospices.

**Liz McInnes**: Of course I agree with the hon. Gentleman, and I will go on to talk about recruitment and retention and the problems that this issue is causing to our hospices in Bolton, in Rochdale and, I am sure, up and down the country.

The chief executive raised three issues with me; I have outlined the first, but the second was whether the effect of the pay increase on voluntary sector hospices had

been calculated. The third point was whether voluntary hospices would be able to access additional Government funding to be able to afford the NHS pay increase.

**Thelma Walker** (Colne Valley) (Lab): Does my hon. Friend share my concern that these changes will only reinforce existing recruitment and retention pressures, and agree that the Government should ensure that they take steps to address staffing issues as well as pay changes?

**Liz McInnes**: There is a theme developing on recruitment and retention. We have shortages of particular groups of staff, and a two-tier pay arrangement for different NHS providers will only exacerbate those problems.

**Melanie Onn** (Great Grimsby) (Lab): The points that colleagues have made seem to reflect the situation around the country. The hospice in my constituency, St Andrew's, provides end of life and respite care for adults and children. The chief executive spoke to me when I went to the opening of its new garden, and expressed exactly the same concerns and fears about future staffing arrangements. The hospice has an incredibly dedicated team of staff, but fears losing them if they can get better pay elsewhere in the NHS.

**Liz McInnes**: My hon. Friend highlights the problems that hospices up and down the country are experiencing with the recruitment and retention of staff. I will explore those issues further in my speech.

**John Howell** (Henley) (Con): Maybe the hon. Lady will come on to this in her speech, but has she looked at the different effects that the pay rise has on hospices for adults and hospices for children, and whether there is effectively a two-tier system in the way that those services are delivered?

**Liz McInnes**: That is an interesting question. In terms of hospice funding, children's palliative care tends to receive less NHS funding, so I would imagine the problem is exacerbated for children's hospices, because they will have to find proportionally more money to fund the pay award than adult hospices. It is an important point, and I hope the Minister will be able to shed some light on those issues when she sums up at the end.

**Tony Lloyd** (Rochdale) (Lab): As my hon. Friend says, we share a hospice. She said—I am not picking up on the phrase she used—that the hospice will need to raise more money. Raising money is the crux of this issue, because something like 70% of the funding for Springhill Hospice comes from charitable giving and less than 30% from public funds. Raising more money, unless the Government are prepared to put their hand into the taxpayer's pocket, is nearly impossible. If the hospice cannot raise more money, the truth is that it will be a smaller service, and both those who are dying and their families will be unable to obtain this amazingly well-appreciated service.

**Liz McInnes**: My hon. Friend is absolutely right. This is the crux of the debate: a pay award has been decided on and agreed with the trade unions, but the Government do not seem able or willing to fund that pay award for non-NHS organisations.

**Ellie Reeves** (Lewisham West and Penge) (Lab): I am lucky enough to have the renowned St Christopher's Hospice in my constituency, and Demelza, which provides children's hospice care, is also nearby and serves my community. Those hospices will have to find £200,000 a year each to fund the pay rise. Does my hon. Friend agree that the pay rise must be matched by central Government funds in order for our hospices to carry on providing their excellent services to our communities?

**Liz McInnes:** St Christopher's Hospice got in touch with me about this debate, so I have had some communication with it about the problems it is experiencing. Sadly, those problems are replicated in hospices up and down the country, and it is important that we find a pot of funding to finance the NHS pay award.

**Bill Esterson** (Sefton Central) (Lab): Queenscourt Hospice serves my constituents and their families and carers. Like all hospices, it plays an incredibly important part in delivering NHS services, but it can only play a full part if it is fully funded. It faces a £250,000 increase in its wage bill in order to do just that. Is it not the point of this debate, which the Government have so far refused to engage with, that unless that money comes from central Government, those hospices, including Queenscourt, will not be able to continue to provide the vital services they provide now?

**Liz McInnes:** My hon. Friend makes an important point: hospices seem to be facing a choice of asking the community to give them extra money, or reducing the service they provide.

**Sir Desmond Swayne** (New Forest West) (Con): Am I incorrect in my understanding that hospices adopting the full Agenda for Change will receive Government assistance? Perhaps the Minister will clarify that. The difficulty for hospices in adopting it is that they lose control of their salary budget. The difficulty is in getting that balance right, and I hope that the Government will be able to help.

**Liz McInnes:** The right hon. Gentleman is absolutely right. I will explore the Agenda for Change later, because adopting it presents huge difficulties for non-NHS organisations.

The three points from the chief executive of Springhill Hospice were tabled as parliamentary questions. Sadly they received identical answers that included:

"We are considering carefully the impact of any agreement on non-NHS organisations such as hospices that may be affected by the proposed pay deal; however no decisions have been made. Staff in hospices do a fantastic job in delivering world-class care and the Department remains fully committed to improving palliative and end of life care."

In July, I wrote to the Secretary of State for Health and Social Care, asking for an update on the issue. The response stated that he "understood concerns" that

"hospices may find recruitment and retention challenging if some of their staff choose to leave in favour of organisations that employ staff on the Agenda for Change contract".

In summary, the Government will finance the pay award for non-statutory, non-NHS organisations only for organisations employing staff on the Agenda for Change contract, which is the nationally agreed set of terms and conditions for most NHS staff. The rationale for that was that:

"Additional funding relies on organisations employing staff on the Agenda for Change contract, because it is the Agenda for Change pay and non-pay reforms that together will help deliver the productivity improvements the Chancellor asked for in return for additional pay investment".

What are the reforms that can only be made under Agenda for Change? On examination, it seems to be an emphasis on training and apprenticeships and a programme of appraisal and personal development. There is also a slightly vague statement on the improvement of the health and wellbeing of NHS staff, to improve levels of attendance, with a reference to

"positive management of sickness absence",

whatever that may mean.

The response from Springhill Hospice was grim. The chief executive wrote to me:

"Very few charitable hospices employ their staff on Agenda for Change contracts, and as a result, Springhill Hospice, along with many other hospices, will miss out on the funding being set aside by the Government. This will place us at a considerable disadvantage in recruiting and retaining essential staff to deliver the services that we offer to people with life-limiting illness in this community, and will leave us with a significant additional cost.

Recruiting and retaining skilled staff is a critical challenge for us, and in order to remain competitive, we will have little choice but to increase pay for clinical staff. Over the course of the three-year NHS pay deal, we estimate that this will bring an additional cost to the hospice of in excess of £250,000. Without support from the Government, this extra cost can only be met by asking our communities to give more, or by reducing the services that we provide.

We are already asking our community for in excess of £2 million contribution each and every year, and in an area of high deprivation, I can only envisage that any additional 'ask' will not be able to be met by our community, so sadly we may have to look at service reduction, which in turn will place additional burden on an already stretched NHS.

NHS staff will start to see the pay increase reflected in their pay packets from this month onwards. Without government support, Springhill Hospice will see a significant additional cost fall to the charity as a consequence."

**Dr David Drew** (Stroud) (Lab/Co-op): My hon. Friend is being very generous with her time. Does she agree that one problem, shared by Longfield Hospice in my constituency, is the opaqueness about the money that the NHS puts into the hospice movement? It does not put much in, and it is unclear why it comes and what it should be used for.

**Liz McInnes:** I certainly agree with my hon. Friend. While preparing for the debate, I tried and failed to get clarity on how NHS funding is allocated to hospice services. I hope that the Minister will provide some clarity on that.

The chief executive of Springhill said that the Department's response was unhelpful, and that if the hospice were to utilise Agenda for Change terms and conditions in full, it would have to go through a massive consultation with staff and would need to change everyone's terms and conditions of employment, assuming that there was buy-in through the consultation process. In addition, it would have to employ a very bureaucratic appraisal system—it already has robust appraisal processes in place—while adopting the Agenda for Change process would necessitate a massive investment in staff training, which would again add to the cost burden.

**Melanie Onn:** The chief executive of a social enterprise that provides social care in my constituency under the Care Plus Group TUPE-ed out several staff in order to continue to provide those services. Those staff are on Agenda for Change contracts, but they will not receive the Government uplift in pay, because as the chief executive says:

“The plan is to fund only NHS trusts and foundation trusts, to pay the uplift directly to them.”

The issue goes much wider in the healthcare sector than hospices. It will affect providers of health and social care in our communities, as well as those staff contracted out from the NHS, including porters, orderlies and caterers. I know that Unison is campaigning for those staff who have been privatised within the NHS. Does my hon. Friend think that all those staff are integral to providing healthcare for all of us, and should be included in the uplift?

**Liz McInnes:** My hon. Friend is absolutely right: this goes wider than hospices. It applies to non-statutory, non-NHS organisations that provide essential services to the NHS. Staff being TUPE-ed out is difficult, and I hope the Minister will consider it in her remarks. The pay award has to be funded from somewhere, and it is extremely unfair if NHS staff are TUPE-ed out to a non-NHS provider and lose out on the pay award as a result.

The chief executive of Springhill talked to me about the role of the clinical commissioning group, saying she hoped that

“the CCG will recognise this significant additional burden when agreeing our annual contract”,

and that it will

“not be expecting us to reduce our costs this next financial year.”

I know, and the interventions I have taken show, that the problems experienced by Springhill Hospice are replicated up and down the country, and I am grateful to hon. Members for sharing their experiences from their own communities.

Hospice UK estimates that, over the course of the three-year NHS pay deal, charitable hospices will face an additional bill of between £60 million and £100 million. It says that the Department of Health and Social Care’s criteria for non-NHS providers to access the additional funding set aside to support the implementation of the NHS pay award exclude the majority of the country’s charitable hospices from that essential support. The Department itself has acknowledged that most charitable hospices do not employ staff on NHS terms and conditions, as the staff working in hospices are not NHS employees. However, as hospices recruit their staff from the same local pool as the NHS, they have little option but to mirror the pay award made to NHS staff in order to recruit and retain the staff they need. As a consequence, hospices face a difficult choice: they must either ask their local communities to donate more to fund the pay award or look at options to reduce services proportionately to cover the cost. Neither is a palatable option for the hospices or for the communities that they serve.

The Department maintains that hospices should look to their clinical commissioning groups for additional support, yet research by Hospice UK shows that in recent years two thirds of hospices in England have seen their NHS funding cut or frozen—in many instances, for several consecutive years. In the absence of tariffs

reflecting the costs of care, the NHS currently makes a contribution towards the costs of providing hospice care. It is on average just 30% of the costs of providing adult hospice care services and just 15% for children’s hospice services, although that funding varies widely around the country.

Hospice UK has suggested a solution to the problem, which is to follow the precedent set in 2004, when the employer contribution to the NHS pension scheme was doubled from 7% to 14%. At the time, the Labour Government acknowledged that charitable hospices would face an additional cost that they could not recover from elsewhere, so they set aside a national pot of funding to be distributed centrally to mitigate the impact. That worked very well and is a model that would work well in relation to the NHS pay increase by recognising the unintended consequences for charitable hospices while maintaining the integrity of the deal negotiated and agreed with the NHS trade unions.

Additionally, I have been contacted by my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard), who tells me that he has secured an agreement for 3,000 healthcare workers in his constituency who work for a social enterprise to receive Government funding to finance the pay rise, so clearly a precedent has already been set. I would be interested to hear the Minister’s comments on that.

The pay deal that has been agreed is a pay deal for NHS staff and is welcomed. Since this debate was announced, I have also been contacted by the Chartered Society of Physiotherapy.

**Melanie Onn:** It has taken me a little while to catch up, but did my hon. Friend just say that a colleague has managed to secure an independent agreement that the pay deal will be honoured for some workers in a hospice setting? If so, how is it possible that one person can get such an agreement from Government but everyone in this Chamber who is raising issues cannot?

**Liz McInnes:** I thank my hon. Friend: that is exactly the point that I wanted to make. A deal has been done in Plymouth for a social enterprise provider that is not a hospice but a provider of mental health services. Obviously, smaller deals are being done. My hon. Friend the Member for Plymouth, Sutton and Devonport is not able to be with us today, but I was very interested in the evidence that he sent me. The Department of Health and Social Care needs to look at the smaller deals that have been done and ask itself what on earth is going on.

To return to the issue of physiotherapists, they are clinical staff whose role in hospice care is sometimes forgotten. The CSP told me that its members overwhelmingly backed the pay changes when consulted earlier this year. It pointed out to me the importance of the physiotherapist’s role in enabling people with a terminal illness to stay active as long as possible—a really important role—and went on to say that with the current shortage of physiotherapists, it is relatively easy for staff to change roles if they wish to do so, and that employers who cannot broadly match NHS pay rates will find it increasingly difficult to recruit staff.

There is clearly real concern that the NHS pay award will have an unforeseen but damaging impact on charitable hospices and other organisations that are already at a significant disadvantage compared with other non-NHS

[Liz McInnes]

providers in not receiving reimbursement for the costs of the care that they provide to NHS patients. A sustainable hospice movement is an essential component of delivering the improvements in end of life care that the Government have rightly sought. The Government must look again at the conditions imposed on non-NHS providers and consider how funding may be made available to prevent a diminution of the end of life care service.

**Sir Desmond Swayne:** May I therefore, through the offices of the hon. Lady, put in my bid to the Minister for just such a local agreement for Naomi House and the Oakhaven Hospice in Hampshire?

**Liz McInnes:** I thank the right hon. Gentleman for that intervention, but we want a national agreement rather than a piecemeal set of local agreements. I hope that that will be addressed today.

I shall conclude by quoting NHS Employers:

“Patients are at the heart of everything the NHS does.”

How does that square with the Department of Health and Social Care’s refusal to finance the pay award for hospices, and how is that refusal putting terminally ill patients, at the time when they are most in need of care, at the heart of our NHS?

9.57 am

**Derek Thomas (St Ives) (Con):** I thank the hon. Member for Heywood and Middleton (Liz McInnes) for securing the debate. “Fantastic” is probably the wrong word to use, but this is an important opportunity for us to speak about the great work that hospices do, the part that they play in all our local communities and how they help people and their families at the most difficult times of their lives. It is an honour to take part in the debate. I want to talk about the role of hospices, how they contribute to the desire to integrate health and social care and, as a result, how they must be funded to deliver the great work that they do.

This may seem a strange thing to say, but I have spent my most special moments at the bedside of someone in a hospice. Over the years and even as an MP, I have taken the opportunity to sit alongside people and their families in our local hospice, St Julia’s, which is just on the edge of my constituency, and I always leave with an incredible sense of gratitude for the work that the hospice does and how it helps people at that difficult time. It helps people to live and die well, which is what I am sure we would all love to be able to do when the time comes.

Let me explain what I have learned in recent years. Even now, the word “hospice” assumes that that is where we will die if we have—dare I say it—the right kind of illness to justify that, but I am learning that hospices are actually far from just places to die. People can go into one when they are very sick and come out a week or two later, having had various things done to help them, to get their body working again and to identify the right medicine. Hospices can give people time to work out what medicine or drug is really the right one for them. My mum was ill for a very long time. She was given a few weeks to live, but actually lived for more than a year. She spent 10 days in a hospice when we really thought it was the end and then she went on

for a good six or seven months after that, simply because the hospice was able to correct her medication and—well, “flush her out” is probably the way to put it. It was lovely to come together as a family and sit alongside her, and to give my dad a break; he had about 10 days of really important respite. The hospice movement across the country, in my constituency and across Cornwall is fantastic. When I go there, it is a different experience from when I go to sit beside the bed of someone in an urgent care setting who is also reaching the end of their life.

In Cornwall, we are learning that hospices are not just about taking people in the closing days or months of their lives, but about alleviating pressure on urgent care by taking people out of a ward where it is not really appropriate for them to be in their last few days, and on community care. In response to trying to get the money it needs, our hospice has done a great bit of work by going out to homes and supporting people there in their last few days and weeks.

The point is that, by properly funding hospices and all the work they do, I am convinced that we would create a saving for the wider NHS as well as the beds that are needed for other people. That is important in my constituency, because our main hospital is in special measures—“requires improvement” is where we are at the moment—and one area of that is about palliative care. The frustration is that there is a desperate need for beds in the hospital, but in the hospice, beds are available all the time. It is simply about a lack of commissioning joined-up thinking and working together, and not having enough money in the hospice system.

Hon. Members have given various quotes about how much NHS funding hospices receive. Some time ago, my first question in Prime Minister’s questions, when the then Chancellor was replying, was about how little Cornish hospice care was funded. At that time, about 11% of the money came from the NHS. That is in a part of the world where there is a lot of deprivation and average earnings are low, so the rest of that money was being found by people who were not awash with cash. I do not know that it has improved much since; we are still one of the areas that receives the least money for our hospice care.

That is frustrating, because people are dying in the urgent care centre who should be in a hospice. Three weeks ago, I spent time with a family who were desperate to get their mum out of my local hospital, which is part of the urgent care set-up. I do not want to be unfair to the hospital team, but unfortunately, they were so keen to get the lady home that they waited for care packages that did not arrive, and she died in the hospital when she could have been in the hospice.

**Melanie Onn:** I thank the hon. Gentleman for making that important point, which raises an issue that I have had with a constituent. His wife was sent home supposedly well after going into hospital for urgent treatment but sadly she died two days later. Going to the local hospice, St Andrews, would probably have been a much better option for her, but it had not been thought of in that process.

**Derek Thomas:** The hon. Lady is absolutely right, and I have heard several stories where that has been the case. Separate to the debate, there is an obsession—I

use that word because it might get the Minister's attention, although it may be the wrong one—with getting people home at every possible opportunity. When I sit with those people, some of whom are desperately lonely, I ask whether that is right for them or whether hospices, community hospitals and other settings would be more appropriate. I want us, as leaders and politicians, to be careful not to create an assumption that home is always the best place, because I do not believe that. It certainly was not for my mum in the last days and weeks of her life.

Addressing some of the challenges requires an uplift in the funding available to hospices across the board, and we must pass on pay increases to nursing staff. I say again that when I go into my hospice, the working environment is very different from that in the urgent care centre, but I have already said that Cornwall is a low-wage area with a high cost of living due to the beautiful environment that we live in, which attracts people and pushes up the cost of housing. It is expensive to live in my part of the world, so nurses are not choosing to leave the hospice setting because they prefer urgent care—obviously, we need them there as well, so I am not trying to discourage that—but because they need the money to live. We should not be saying, at any stage, “It is okay, because hospices are a different environment to work in and they might prefer it there, so they will settle for lower wages.” I hope that we would never assume or expect that.

I met the chief executive of Cornwall Hospice Care soon after the pay award, and he expressed concern that the money being offered to NHS nurses and staff would have a negative impact on hospices and other parts of the system where people are not directly employed by the NHS. I agreed to raise that in the House at the first opportunity, which I have done, and I am grateful for this opportunity to do so as well.

I know that I am among friends when I say that the value of hospice care is not underestimated. The work that hospices do for children and adults is fantastic. They are an essential part of bringing health and social care together and ensuring that people are cared for in the right setting and as close to home as possible. We all know that it is better to be near our families, whatever our health situation, and certainly during the last moments of our life.

As I have said, people are dying in my urgent care centre, which has already been judged as poor for palliative care, when there are beds in the hospice not far away. That must be addressed, and I want the Minister to intervene to put pressure on the system—or systems, at the moment—on the question of why we cannot do more. There has been progress in the last three years towards working better together, but making the right decision is painfully slow for somebody who does not actually have the time for that decision to be made. There have been improvements in working together, and the managers in all the systems in Cornwall, including the hospices, have healthy relationships, but things seem to be getting stuck at ward level, so patients are potentially not getting the best care.

As I have said, hospices now do fantastic work in the community, which has been a response partly to funding but also to need. They are going out into people's homes to help families and individuals to manage their care properly. I have made fairly clear the two things

that are needed to help hospices to deliver that vital role. In the discussions around the NHS pay award, what engagement opportunities have the Minister and the Department had with hospices? Have they been included in discussions about how that can be addressed and passed on? I would love the Minister to look closely at the situation in Cornwall, which will be true elsewhere too, where the money available for hospices is not enough. That is a choice made at a local level by commissioners, not the Department.

We should also assess whether we are making full use of what is available in hospices. If there are 12 beds with people in who are being cared for in the right place, that care is far more cost-effective than if there are eight beds, as is the case in my local hospice. It is not just about throwing more money at hospices, but about making better use of resources. That will reduce the cost of care while ensuring that those people, who have such a challenge ahead of them in the days and weeks to come, are given the care, love and attention that they absolutely deserve and that we would expect in the great nation in which we live.

10.8 am

**Martyn Day** (Linlithgow and East Falkirk) (SNP): It is a pleasure to serve under your chairmanship, Mr Davies. I thank the hon. Member for Heywood and Middleton (Liz McInnes) for securing the debate and for her knowledgeable and informative speech. The hon. Member for St Ives (Derek Thomas) also made a sympathetic and informed contribution using personal and constituency examples, which we all benefit from.

There is little doubt that hospices play a vital role throughout the UK in providing palliative and end of life care, and that demand for care is increasing. We have heard that hospices face many of the same challenges as the NHS in terms of recruitment, and have to compete with pay levels to recruit and retain a good calibre of staff. Attracting and retaining the right people and raising the status and image of social care as a profession is key to delivering quality care.

In Scotland, health is devolved, and getting health and social care right for people is a key element of the Scottish Government's health strategy. In 2015, the Scottish Government committed through the strategic framework for action on palliative and end of life care, or SFA, that by 2021 everyone in Scotland who needs palliative care will have access to it. Hospices play a vital role in meeting that aim and in ensuring that by 2021 all who would benefit from a key information summary will receive one. These summaries bring together important information, such as future care plans and end of life preferences, to support those with complex care needs or long-term conditions. The availability of care options will be improved by doubling the provision of palliative and end of life care in the community. That will result in fewer people dying in a hospital setting, which I am sure none of us would want to experience. As part of the Scottish Government's 2016-17 budget, we have allocated a further £250 million to health and social care partnerships, to protect and grow social care services, and to deliver our shared priorities.

Historically, hospices have led the development and provision of palliative care. Their specialist expertise has often supported non-specialist services at the end of

[*Martyn Day*]

life and hospices can typically attract high numbers of volunteers and to generate significant levels of charitable income from within their communities.

In 2016-17, hospices in Scotland supported 19,000 people of all ages, ranging from newborn babies to centenarians. In the briefing sent round for today's debate from Together for Short Lives, the UK's charity for children's palliative care, there was a request for parity in the contribution to charitable costs by children and adult hospices, and palliative care charities. That is a very reasonable and sensible suggestion, and the Scottish Government have committed to bring about such parity and to fund 50% of the agreed charitable costs of children's hospices, in line with the adult provision.

During 2016-17, a total of 12,000 people in Scotland received hospice care in their homes. Over the past decade, a significant amount of work and investment has gone in to supporting older people and people with disabilities to live well in their own homes for longer. When hospice care is needed, the Scottish Government have clear standards that meet the needs of patients and respect their rights. And of course Scotland continues to be the only country in the UK that provides free personal care, benefiting over 76,000 older and vulnerable people. In addition, legislation has been approved to extend free personal care to under-65s, which will come into force from April next year.

Much of today's debate focuses on NHS pay and its impact on the hospice sector. What does it mean for staff in Scotland? Staff on the Agenda for Change scale will benefit from an increase. Such staff include registered nurses, lead nurse managers, ward sisters, clinical nurse managers, clinical nurse specialists, senior nurses and nurse managers. The Scottish National party Government agreed a three-year pay deal linked to reform discussions that are due to be completed by December, meaning that most Agenda for Change staff will make more than their English equivalents.

For adult social care workers, the Scottish Government require all public sector employers to pay at least the Scottish living wage, so health and social care partnerships will have to pay the Scottish living wage, too. I stress that in Scotland we are committed to paying everyone in social care the living wage, and anything additional would be an arrangement agreed between the integration authorities and hospices. Those discussions are ongoing and I look forward to hearing their outcome.

10.13 am

**Julie Cooper (Burnley) (Lab):** It is a pleasure to serve under your chairmanship, Mr Davies.

I am grateful for the contributions by Members from both sides of the Chamber; they obviously all value the hospices in their constituencies. I pay particular tribute to my hon. Friend the Member for Heywood and Middleton (*Liz McInnes*) for securing this important debate and for outlining so clearly the dilemma facing hospices, citing the example of her own excellent hospice, Springhill. The dilemma is that the delivery of excellent services, by an excellent and qualified workforce, must be balanced against the funding to deliver those services continually.

We are all aware that the NHS is facing massive workforce issues and that recruitment of skilled people is an issue right across the NHS; there is a shortage of such people. We are also very much aware that if hospices are to compete for staff and to recruit and—crucially—retain staff, they must be able to make this pay award, which is extremely welcome. That is the essence of this debate.

Hon. Members made some really important points about the wider issues of funding, which are important, and about the lack of funding. I am grateful to the hon. Member for St Ives (*Derek Thomas*) for sharing a very personal family experience from his local hospice and for making the important point that hospices allow people to live and die well, which is absolutely crucial.

It is important to set this debate, which is essentially about funding, in a wider context, looking in the first instance at the vast array of services provided by hospices. The majority of hospices are charitable organisations, and provide absolutely tremendous support to the NHS but are not directly part of it. There are in the region of 3,000 in-patient hospice beds in the UK, where patients are helped to manage pain and other symptoms. Hospices also provide respite for carers; it is important not to overlook that.

However, hospices offer far more than an in-patient bed for those reaching the end of their life. In fact, the majority of hospice care is provided in people's own homes. Hospice UK reports that, in 2016, 51,000 people accessed in-patient hospice care, while 179,000 people received the support of trained hospice staff at home. Many hospices also offer daycare, which gives people the chance to spend time in a hospice and use the majority of the services it offers, while still living at home. In 2017, 37,000 people used day hospice services.

The majority of hospices also offer bereavement counselling. Hospices help to mitigate negative outcomes of loss, helping people to manage what can be a hugely painful and isolating experience. One gentleman in my constituency told me that he did not know how he and his daughters would have coped without the excellent Pendleside Hospice when he lost his wife, and his daughters lost their mother.

It is clear that our hospices are doing a fantastic job supporting people when they need it most. It is difficult to measure the level of demand, but it is a fact that, in 2016, 597,000 people died in the UK, and Hospice UK estimates that 450,000 of them could potentially have benefited from hospice services. It is also clear that there is much unmet demand and that provision varies widely from town to town. Given the changing demographics, though, it is very likely that demand for hospice services will continue to rise.

Consequently, it is imperative that, at the very least, we protect the provision that already exists. As I have said, the majority of hospice services are provided by charitable hospices, which rely on donations from, and fundraising in, their local community to meet the majority of their costs. It is a fact that hospices have a combined revenue of £1.4 billion, and yet the NHS pays only £350 million towards hospices. The average NHS contribution to hospices equates to 30%, and that proportion is falling because there has not been an uplift in funding to hospices for many years. Ten years ago, my own hospice received 32% of its funding from the NHS. That has now fallen to 22%, and in common

with other charitable hospices it is reliant on the generosity of local people and businesses. Each year, hospices must raise millions of pounds to run their services and pay their staff.

I will briefly mention children's hospices. Last week, I met staff from Derian House, and I was shocked to learn that although this excellent hospice supports children and young people from 38 constituencies, only 10% of its funding comes from the NHS. There are 49,000 babies, children and young people in the UK with life-limiting or life-threatening conditions. That number is growing as a result of advances in medical technology, and it is vital that these children and their families have access to palliative care that meets their needs.

Austerity has made fundraising more challenging, as many new and worthy charities now compete for funds. It is a fact that in this economic environment the financial stability and sustainability of many hospices is at risk, and implementing the NHS pay award will add to the financial pressures they face. It is unthinkable that, in the face of increasing demand, they may be forced to reduce services or even close.

At this point, I want to join colleagues in paying tribute to the dedicated staff who are the lifeblood of our hospices. The majority of charitable hospices, although outside the NHS Agenda for Change, attempt to match NHS pay and conditions, ensuring that staff who do that amazing work are properly remunerated. It is essential that those hospices are able to match NHS levels of pay if they are to continue to recruit and retain the staff they need.

I welcome the recently negotiated NHS pay award. That award, which has been hard won and is long overdue, will be hugely welcomed by clinical and non-clinical staff throughout the NHS. Crucially, though, it will not be funded for the charitable sector, and hospices will need to raise additional funds. Coming on top of existing funding pressures, that is going to push our hospices to breaking point. Pendleside Hospice, which serves my constituency, will need to raise an additional £500,000 to fully fund that award. I am sure that the Department of Health and Social Care did not intend to disadvantage hospices in this way, and that this was an unintended consequence. I hope that, in the first instance, the Minister will take the opportunity to announce that the Government will fund the staff pay award in all hospices.

In conclusion, I hope that the Minister will go further to ensure that NHS England resumes its work on developing a specialist palliative care currency, to inform future CCG commissioning of hospice care. It is an inescapable fact that a mechanism to increase the proportion of NHS funding paid to hospices is urgently needed. In a world without hospices, that clinical care would have to be entirely provided directly by the NHS, and would add significantly to NHS costs.

10.21 am

**The Minister for Care (Caroline Dinenege):** As ever, it is a great pleasure to serve under your chairmanship, Mr Davies. I add my voice to those congratulating the hon. Member for Heywood and Middleton (Liz McInnes) on securing a debate on this important matter, and congratulate every Member who has been involved, either through a speech or an intervention. As MPs, we are all aware of the crucial role that hospices play in

supporting and caring for our communities at a time of great need. I understand the concerns that have been raised, and have listened carefully to the strong arguments that have been made.

Hospices across England are delivering excellent end of life care and contributing to their local communities, as they have for many years. The Care Quality Commission's "State of Care" report, published on 10 October, is testament to that. That report showed that hospices have continued to provide high-quality care at the end of people's lives, even improving on their performance last year, which saw them rated as the highest performing secondary care services, with 27% of hospices—more than a quarter—rated as outstanding. I know that Springhill Hospice in the constituency of the hon. Member for Heywood and Middleton was rated as good overall in the CQC's most recent assessment, but was rated as outstanding in the delivery of care and effective services, and people spoke highly of the kindness and caring attitude of staff. That is why the hon. Lady is right to raise this debate. I add my thanks to all those working and volunteering in the hon. Lady's hospice, and in hospices up and down the country, for the quality of care that they offer.

We all know that palliative care can take many forms, whether at home, in a hospice, or in a hospital. There is never a more important time to make sure people get the right level of care. My hon. Friend the Member for St Ives (Derek Thomas) spoke about the immeasurable support that was given to his mum by his local hospice, and he rightly mentioned the crucial role of local commissioners in ensuring that hospices can do their amazing work, which I will speak more about in a moment. My mum was responsible for fundraising to build the Naomi House children's hospice that my right hon. Friend the Member for New Forest West (Sir Desmond Swayne) mentioned earlier.

**Sir Desmond Swayne:** Will the Minister address the question that was raised about local deals, and will she acknowledge the bid that I made?

**Caroline Dinenege:** Sadly, I cannot comment on individual cases. I am not aware of any individual deals being done with the Government, but of course, this could be a local arrangement. For 2019-20 and the remaining two years of the deal, funding will follow the usual route. It goes through CCGs, so I imagine that the instance that the hon. Lady mentioned is due to that, but I am keen to hear more.

**Liz McInnes:** Maybe the Minister would like to take the issue up with my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard), who has informed me of an agreement that has been made in Plymouth regarding a social enterprise, with the support of the trade unions. That is an interesting example that we potentially should extend to the whole country.

**Caroline Dinenege:** I can only applaud the hon. Lady's tenacity in continuing to make that case, and we will certainly look into the matter. As I say, I have no knowledge of that individual case, but I share the desire of my right hon. Friend the Member for New Forest West to ensure that hospices such as Naomi House and Jacksplace have the funding that is necessary to do their

[*Caroline Dinenage*]

incredible work. My mum got the whole family involved in all manner of quite humiliating fundraising exercises back in the 1990s to build Naomi House children's hospice, and I was delighted that my role as Minister took me back to Naomi House and, indeed, Jackspace, which caters for young adults. I went there over the summer, and Mark Smith, its director of care, was kind enough to give me a tour of the facilities. We discussed some of the issues that have been raised today, as well as others, and my team has been looking carefully at what more we can do about some of those issues.

Since I was appointed Minister for Care in January, I have met with a range of charitable stakeholders from the end of life and palliative care sector, as well as the national clinical director for end of life care, Professor Bee Wee, who is quite incredible. Having met both system representatives and representatives of charities, I have been impressed by not only their incredible passion and commitment to see Government aims for end of life care delivered, but the shared consensus on what changes are needed to drive through the improvements that we would all like to see. Hospices are an incredibly important feature of end of life care provision, but we have to see them in the wider context of our ambitions in that area. In 2016, the Government published our end of life care choice commitment, which encompasses the whole system approach to transforming end of life care, placing patients and their choices, needs and preferences at the heart of planning. The NHS gets it right when choice is meaningful, personalised, and matched by healthcare services that can respond in an effective way that places patients, families and carers at the centre of the decision-making process. I know that parts of the country are delivering excellent palliative and end of life care for both adults and children.

**Thelma Walker:** The Minister's reference to "parts of the country" is of concern to me. Does she agree that the amount of funding, and the capacity for particular communities to raise that funding, is still a postcode lottery? In more deprived areas, accessing the knowledge, skills and ability to raise that funding is more of a challenge. How would the Minister suggest that we create more equity and parity?

**Caroline Dinenage:** The hon. Lady makes an excellent point. She is right: there are services up and down the country delivering first-class care, but there are also areas where we know we need to do more. NHS England is firmly focused on providing both the support and the challenge to achieve that, and the hon. Lady is right to mention the incredible efforts of the imaginative and resourceful volunteers who do incredible work to raise much-needed funds for those vital hospices.

A key objective in delivering our commitment to strengthening the provision of end of life services out of hospital and in the community is that people should have that level of choice, and a quality choice, up and down the country. Work is ongoing nationally to provide sustainability and transformation partnerships with tailored information to assess and enhance end of life care services in their areas. We talked earlier about commissioning; NHS England has commissioned Hospice UK to undertake an evaluation of the cost-effectiveness

of hospice-led interventions in the community. Historically, hospices have struggled to demonstrate strong evidence of the services they provide and the fabulous care that we all know they offer.

The hon. Member for Burnley (Julie Cooper) mentioned currency. NHS England is working to support local use of the specialist palliative care currency, which can help local areas to plan and deliver services, including hospice services. The currency can help local services better understand the complexity of palliative care and the investment needed to deliver it properly. It is also essential that we can assess how effectively commissioners are working to improve end of life care services. My hon. Friend the Member for St Ives hit the nail on the head when he spoke about that. This year we have a new indicator in place designed to help measure how well patients needing end of life care are supported in the community. Going forward, we are planning to do more work to develop indicators that will enable NHS England to further scrutinise the effectiveness of local health economies in delivering choice in end of life care and securing the progress we all want to see.

**Julie Cooper:** Can the Minister give some idea of the timescales? The point has been made that not only are these organisations at risk of closing, but the people who need the care have not got time. Timescales that indicate the urgency with which the Government are treating the matter would be welcome.

**Caroline Dinenage:** That is a very good point. NHS England will bring forward its report on hospice care very shortly, in November.

I want to talk about staff funding. In common with much of the sector, I know hospices have faced financial challenges. I recognise the concerns of hospices that the recently announced NHS pay rise is putting them under pressure to match the uplift awarded to staff employed on the Agenda for Change contract not only to retain the incredible staff they already have, but to attract the staff they need. We have agreed that for 2018-19, non-NHS organisations that employ existing and new staff on the Agenda for Change contract will be eligible to receive additional funding. Most hospices do not employ their staff on the Agenda for Change contract because of the cost that would entail and so are ineligible.

**Sir Desmond Swayne:** Is it possible for a hospice to employ some staff on those contracts and then achieve the benefit of doing so without handing over its entire employment budget and losing control over it?

**Caroline Dinenage:** That is a very good question, which I will drop my right hon. Friend a note to answer, if he does not mind, as we need to make a few more inquiries about that.

It is important to stress that the Agenda for Change pay deal does not seek to make any distinction between the value we place on staff working in NHS and non-NHS organisations. Staff work incredibly hard to provide services, always putting patients and service users first. Funding is linked to the direct costs of implementing the Agenda for Change pay deal, which includes both pay and non-pay reforms. As the hon. Member for Heywood and Middleton mentioned, it is not just about headline pay. It is right that those organisations that



employ existing and new staff on the Agenda for Change contract and must implement the entire pay deal should receive additional funding for 2018-19.

The hon. Lady is right to raise the matter, and I thank her again for doing so. I have listened carefully to the issues that have been raised, and we will look again at all of them and what we can do to better support our hospices to continue doing their vital work.

10.33 am

**Liz McInnes:** I thank everyone who has contributed, and I thank the Minister for her response, but I am disappointed that there was no commitment to provide funding for hospices to afford this pay award. The case has clearly been made on the disastrous effects of not funding the pay award. I had hoped that the Minister might have been able to commit to more than a report that is coming out in November.

We need to deal with the issue as a matter of urgency. I suggest the Minister looks at equivalence and whether appraisals, staff health and wellbeing and the systems that hospices already operate can be classed as equivalent to the agreement set out under Agenda for Change. That would help get over the hurdle of the productivity demands that the Chancellor has made.

*Question put and agreed to.*

*Resolved,*

That this House has considered hospice funding and the NHS pay award.

10.34 am

*Sitting suspended.*

## Leaving the EU: Timber Industry

11 am

**Martin Whitfield** (East Lothian) (Lab): I beg to move,

That this House has considered the effect on the timber industry of the UK leaving the EU.

It is a great pleasure to serve under your chairmanship, Mr Davies; I thank you and the Minister for being in your places today. I welcome hon. Members and guests from across the timber industry, who are eagerly anticipating the Government's response on how the industry will be affected by the terms of our withdrawal from Europe. It is also good to have *Hansard* here so that we do not have to face the age-old philosophical question: if no one is there to listen to a debate on tree-felling, does it actually take place? Perhaps today we will see through the wood and hunt out some of the trees of questions that are outstanding. Let me put it on the record that, as chair of the all-party parliamentary group for the timber industries, I shall raise a number of concerns from those who come to our meetings to discuss the problems they face.

Our debate is about the industry and the terms of withdrawal. I wish to focus on three distinct root and branch problems, of which the first is our crashing out of the customs union and single market. I will discuss the real-terms consequences of the Chequers plan for the strategy for the future of house building, for the tax bombshell that could hit the industry after March 2019, and for the importance of upholding regulatory standards when importing and exporting goods after we leave.

The timber industry is very diverse. In Scotland, we have Scotframe, which produces timber-frame house kits from trees grown in the United Kingdom from UK seedlings. It also takes wood from across Europe to manufacture the kits that it sends out to be constructed on sites across the UK.

**Kirstene Hair** (Angus) (Con): I thank the hon. Gentleman for securing this important debate. Although 92% of large contractors would support an industry-wide commitment to using more home-grown timber, the UK remains one of the world's biggest timber importers. Some companies unnecessarily specify grades of timber that are more common abroad, when home-grown alternatives would work perfectly well. Does he agree that we should work to facilitate a stronger domestic market for timber post Brexit?

**Martin Whitfield:** This is certainly an opportunity for the industry to review itself. It is important to note that the timber industry is neither for nor against Brexit. What it seeks is clarity and a way of moving forward, both through increased home-grown production and through facilitating the import and export of wood, which will continue to be a requirement. Interestingly, in 2016 we were the second largest net importer of wood products; only China has a higher net import ratio. We rely heavily on wood and timber from across the EU and from across the world.

This debate takes place under exceptional circumstances. On 29 March, we will leave the European Union. We have had almost two years of negotiations with the EU about the terms of our withdrawal. Admittedly, we are not quite 95% of the way through this period, but the

[*Martin Whitfield*]

gap for the Prime Minister to secure a workable deal with Europe is closing. The protracted negotiation period has left several key industries, including timber, in the lurch—or out on a branch—over the impact of Brexit.

The sector contributes more than £10 billion a year to the UK economy and has a workforce of more than 200,000. There are profound questions about the nature of our withdrawal and its impact, particularly on the small and medium-sized businesses that make up a substantial part of the industry. As well as being of great national worth, the timber industry supports jobs in my constituency, which has BSW Timber, Windymains Timber and Alba Trees. In East Lothian, we take the acorn to the oak and then cut it up for the use of others.

I am here to express the industry's concerns about the terms of our withdrawal from Europe and to make a personal case for continued membership of the customs union and the single market after we leave. The technicalities of our withdrawal can appear confusing, but the way in which timber currently enters the UK market from Europe is remarkably simple and has been developed through work across the EU—within the timber industry as much as by the Government. When timber enters the UK from the EU, it clears the ports immediately, with no need for customs checks to be carried out. The materials are then instantly available to be used or sold.

Leaving the customs union threatens the efficiency and simplicity of our current arrangements. The real-terms impact of a poor deal or no deal would mean timber arriving in Britain from Europe and sitting in customs checks for weeks on end. Indeed, the timber industry in the Republic of Ireland is so concerned about that possibility that it has written to its members with advice on it. This is the reality for companies importing timber from outwith the EU, particularly from North America, and it gives a worrying glimpse of the potential post-Brexit future that our timber industry faces. The time that it will take for businesses, most often small and medium-sized enterprises, to not only get hold of timber but store it before selling is of great concern.

I feel I might be wasting the Minister's time if I asked for his support for a deal to keep us in both the customs union and the single market, so I will be a little more generous with my two questions. Will the Government commit to ensuring that, after we leave the EU, timber imports will continue to clear customs in the same manner? Will they assure the industry that there will be no up-front costs after we leave the EU, particularly for SMEs that trade with EU countries?

Let me turn to the house building strategy. The timber industry provides the frames and parts for virtually all our houses. In East Lothian, there is a commitment to 10,000 new homes in the near future, and the requirement for wood frames for roofing and joists will be exceptional. Our future relationship with the EU will go hand in hand with our current house building strategy, so I want to explore the impact of our withdrawal on the construction of new homes.

We have an unprecedented housing crisis across the UK, and nowhere more so than in Scotland. I accept that, in my constituency, the responsibility for increasing home ownership and eradicating homelessness rests with the Scottish Government, but the desire to achieve those ends is felt across the whole United Kingdom. At

least 150,000 households are on waiting lists for homes in Scotland, while just a quarter of people under the age of 34 own their own home, which is down from just under half in 1999. This is a challenge that the Scottish Government are failing to meet.

These simple figures foreshadow an impending crisis in the supply of raw materials, notably timber, after we leave the EU. Some 60% of wood imports come from Europe, but for the timber that we need to manufacture homes, the figure stands at 90%. It is simply not feasible for the UK to become self-sufficient in timber production by next year or even by the end of any transition period that has been discussed. Of course, a move to greater self-sufficiency would be admirable, but there are questions about climate and about the quality of wood grown for purposes ranging from pulping to open joists in houses.

**Chris Davies** (Brecon and Radnorshire) (Con): I thank the hon. Gentleman for securing this debate. I do not share his concerns about Britain leaving the EU; I feel that the forestry sector, the timber sector and indeed all sectors will have a very good future after we leave in March. However, does he agree that, although trees planted today will not be ready for next year, the British Government are woefully behind on the tree-planting targets that we need for future years? Forestry and timber is an ongoing industry, not something that will stop tomorrow.

**Martin Whitfield:** The hon. Gentleman is right. If we look back to the planting of the great forest, done all those decades—nay, centuries, ago—with the intention of providing this country with the raw materials it was perceived it needed at the time, and we look at the, frankly, very poor forestry planting record of the recent past, we can see that we are in a desperate situation that needs to be addressed. The tree nurseries in East Lothian grow their plants for about 18 months, until they are large enough to plant out without too much protection. We are then still looking at 20 years before there is usable wood. It would need 60 years for that wood to be of use in house building and for ornate furnishings. What we choose to do today will not be of any benefit to us, but will be of benefit to our children and grandchildren—to those who come after us. It is that foresight that is needed by Governments and politicians, in order to make the correct decisions.

**Chris Davies:** Does the hon. Gentleman agree with me that commercial forestry—the planting of softwoods—should not be seen as a crime in the countryside? The industries that we are talking about rely on softwoods, not necessarily hardwoods, which would not mature for 100 years.

**Martin Whitfield:** Absolutely. A diversity in timber planting is essential for the surrounding ecology and for the intended subsequent use of the trees. What is needed is a diverse plan that recognises the differences that are needed in the future. I commend the ambitions north or south of the border on revitalising house building in Britain, but any housing strategy must factor the strength of timber imports into that.

I turn to what is called “the tax and revenue bombshell” in the timber industry. There is a long-term vision for house building, which is vulnerable to any flawed Brexit

deal that the Prime Minister may come back with. The current VAT payment system that timber companies are signatories to when importing from Europe is critical for the cash flow of small and medium-sized businesses. The system allows companies to spread the payment of VAT on EU imports, so that goods are sold before they have to pay. In the August no deal papers, that issue was recognised and confidence was given to the timber industry that, in the appalling situation of a no deal Brexit, they would be in a better position with regard to VAT than potentially under any deal.

The Timber Trade Federation is clear that the impact of the VAT bill would fall directly on to small business owners, operating on tight margins, who are the most vulnerable to this change. Will the Minister confirm that the Government will ensure that the existing VAT payments system for imports from the EU will remain in place in case of a deal? Alternatively, will the Government commit to establishing a new system that maintains the same benefits?

The immediate impact to consumers of the scheme collapsing would be massive additional costs on building materials, leading to increased costs for basic building work. Piling more money on the base cost of building new homes will not ease the financial burden of encouraging new homeowners. I hope the Government heed the industry's call and look to fix this issue.

I turn finally to standards. Any industry of this size, which operates with trade heading in either direction, requires a regulatory environment that is fit for purpose—an environment that is strong but that is also standardised. Membership of the EU has created a standardised model that has effectively reduced individual national standards within Europe from 160,000 in 1980 to 20,000 today. That simplification has acted as a passport to trade and minimises the financial barriers that imported goods face. Crucially, standards exist not just to benefit those sitting in boardrooms, but to provide a firewall for consumers across the country. They build consumer trust and they ensure customer safety. One sector-specific issue within the timber industry is the assurance that products are both sustainable and secure.

Leaving Europe will limit our influence over the standards. Does the Minister agree that we should continue to prohibit the importing and use of illegally harvested timber from outwith the EU, and that we should retain the assurance and ensure that our current consistent and simplified approach to EU regulation will continue after March 2019?

There are a number of exciting opportunities present within the timber industry. It is a sector that is spread across every constituency. It provides jobs and investment. It provides training in serious skills shortages in the UK economy. Steps are being taken to seek apprenticeships that will take people from the very start of planting all the way through to the building site to see how the wooden frames are turned into houses, and to the housing factories, where ready-made houses are produced to be assembled on site. That is a massive commitment from the timber industry; it realises that the commitment to future skills is crucial in order for it to maximise opportunities. It would like the same enthusiasm, excitement and out-of-the-box thinking from the Government, to ensure that this industry can continue.

A reckless Brexit deal could affect up to 10 million cubic metres of timber, which we import every year. I hope the Minister agrees that, if the Prime Minister is

serious about her personal mission to solve the housing crisis, she must start by scrapping the Chequers deal and broker an improved deal that ensures the timber industry can clear customs freely, considers the VAT question and addresses the question of the house building strategy, so that this hugely important UK industry can be at the root, trunk and branch of our future.

11.17 am

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (David Rutley):** As always, it is an honour to participate in this debate under your chairmanship, Mr Davies, and I congratulate the hon. Member for East Lothian (Martin Whitfield) on securing it. Continuing the wood gags, I was concerned at the start of the debate that I would be stumped by his line of questioning, but he has been very clear, for which I am grateful.

Forestry and timber processing is a growth sector, as the hon. Gentleman said, with 82,000 jobs in the UK, and it contributes £2 billion each year to the economy. In the Budget this week, it was good to see the Chancellor announce £60 million to plant trees, including £10 million to do so in urban areas and £50 million to encourage large-scale afforestation through the woodland carbon guarantee. It is important to discuss the impact of the UK's departure from the EU on this sector and I welcome the opportunity to do so in this debate.

Like all Departments, DEFRA is working incredibly hard to understand the implications of exiting from the EU. We have been taking note of the potential risks, coming up with mitigating actions and looking at what the opportunities will be, in this and other sectors, as well as ensuring that contingency planning is in place, regardless of what scenario we might move into.

Strengthening the timber trade, and enhancing the sustainable management of the woodlands and forests that support the trade, will continue to be a real priority for DEFRA. In the 25-year environment plan, we committed to increase forest cover in England from 10% of land area now to 12% by 2060. That is an area equivalent to the size of Dorset. I know that that is not north of the border, but the hon. Gentleman will be aware that it is big area. Meeting that target will require increases in both private and publicly funded planting, including from the timber industry. That will be music to the ears of my hon. Friend the Member for Brecon and Radnorshire (Chris Davies). Clear opportunities for the sector lie ahead as well.

This is a growth sector, and the value of our forests is on the increase. Market conditions are good and British wood is competitive with imports, leading to increased levels of domestic production, which we need to start thinking about and preparing for. UK mills produce around 3.5 million cubic metres of sawn wood each year. The increase in house building is increasing demand for wood, and 27% of housing starts in 2017 are expected to use timber frames. That is a good opportunity, and we want to be ready to support it through increased domestic production.

At a UK level, timber availability is forecast to increase in the short to medium term and then decline to current levels after 2030. We are gearing up and moving forward. We recognise that increasing domestic production will also boost the rural economy, which many of us represent.

**Martin Whitfield:** I am very grateful that the shadow Minister, my hon. Friend the Member for Stroud (Dr Drew), is here. Does the Minister feel that more credit should have been given to the timber industry in the Agriculture Bill, which is currently passing through the House?

**David Rutley:** That is a good question, and I will come on to it—we will not duck it.

As the hon. Member for East Lothian said, we are the second-largest importer of timber behind China—82% of our wood production uses imported wood. Increased import costs caused by currency fluctuation or regulatory barriers could therefore pose a challenge to the timber trade, but there is capacity in the UK to increase our use of our own forestry resource. There is a real opportunity for import substitution, which over time will help to mitigate any rise in import costs or increase in tariff barriers and will help bring more of the UK's woodlands under active, sustainable management. That is something we all want to see.

**Chris Davies:** Will the Minister tell us what schemes will be put in place to ensure that native woodlands are managed properly and that that timber goes into the firewood sector, while commercial soft wood is targeted at the building sector?

**David Rutley:** We have a number of schemes in place, and the Agriculture Bill will introduce environmental land management systems, which will help us to promote the production of different wood types. I can meet my hon. Friend after the debate to discuss that question in more detail.

There are clear opportunities ahead, which are good commercially and make sense, given our wider ambition to increase woodland coverage and meet our carbon targets. The hon. Member for East Lothian mentioned Scotframe. The issues he raised are matters for the Scottish Government, but I am keen to discuss new timber-based construction with business, and the 25-year environment plan commitment to use more domestic timber in construction points to where we want to go. Using our timber in construction will help us create what some people call a conveyor belt of carbon sequestration here at home, helping us to meet not only the housing targets that the hon. Gentleman outlined but our long-term objectives under the Paris agreement.

Our new environmental land management system will focus public money on the provision of public goods, and put forestry and agriculture on an equal footing. Trees and woodlands provide multiple capital benefits, including carbon sequestration, soil quality preservation and reduced water run-off. There is clearly more work to be done, but that exiting development will help to address some of the hon. Gentleman's concerns.

The hon. Gentleman also raised concerns about VAT. The Government are committed to keep the VAT regime as similar as possible to what we have now. If there is no deal, we will introduce postponed accounting for goods imported into the UK. That was stated in the technical notice entitled "VAT for business if there's no Brexit deal", and a written answer from 8 October gives more detail about that. If the hon. Gentleman has more concerns, I will gladly discuss them, but the Government have set out clearly that that is our aim.

The hon. Gentleman also made some important points about EU readiness. We are preparing for any eventuality, but our primary aim is to secure a deal. In our planning for the unlikely scenario of a no deal, we are working to ensure that timber importers face as little inconvenience and as few additional costs as possible in the event that they need to conduct extra due diligence at the borders. Current due diligence checks on imports from outside the EU will remain the same, so in a no-deal scenario a large number of importers will not notice any increased costs. Although we recognise there will be some additional costs for businesses that import from EU countries—I will talk more about that in a minute—we will give them support and advice to ensure the costs are minimised as far as possible. A number of technical notices have been published in the public domain to provide such information, reduce the grey areas that businesses are working with, and give them greater clarity.

**Martin Whitfield:** Does the Minister accept that the paperwork relating to imports and exports from within the EU far exceeds the paperwork relating to imports and exports from outwith it, should that become necessary following our departure?

**David Rutley:** As I was trying to explain, our aim is to ensure any added burden is kept to a minimum. The technical notices help to set that out, but there is clearly more work to do.

We want to ensure businesses can continue to trade with the EU in a no-deal scenario, which is why the Office for Product Safety and Standards will support and advise UK exporters about what documentation they might need to give EU customers so they can fulfil their due diligence requirements. We are working hard to ensure that the supply of timber for building is not interrupted—I know that is a priority for the hon. Gentleman—and we will work with those who face any additional costs or burdens to ensure these are minimised. We are also making good progress in driving up planting rates across the country so we have a resilient timber supply for the future. We are on track to meet our commitment to plant 11 million trees by 2022 and an additional 1 million trees in our towns and cities.

As part of our planning, we are working to ensure that biosecurity standards continue to be met in ways that support trade and the smooth flow of goods. Our plant health biosecurity arrangements protect the environment from pests and diseases, and we will continue to protect the nation's plant health biosecurity during and after our exit from the EU. That is a clear priority.

We are considering our import controls for plants and their products, including timber and forestry material, for a range of scenarios. The Government are working to ensure that systems and processes are in place so that trade continues to flow after exit.

We have set out our technical notices, including one entitled "Importing and exporting plants and plant products if there's no Brexit deal". Timber currently managed under the EU plant passport regime will need to enter the UK with a phytosanitary certificate in a no-deal scenario. Checks will take place remotely after the border to minimise impacts on businesses and ensure the continued smooth flow of goods.

The hon. Gentleman talked about the number and weight of regulations. Our aim is to ensure that, although we will have to adjust to any eventuality, the burden is kept to a minimum.

**Martin Whitfield:** May I extend to the shadow Minister and the Minister an invitation to meet the APPG and its members so we can take these discussions further?

**David Rutley:** I welcome that opportunity. It would be good to meet the APPG and Confor, which provides its secretariat services, to discuss these issues in more detail. I am a new Minister in this area, and it would be a pleasure to do that.

**Chris Davies:** As chairman of the APPG on forestry, may I ask whether we could have a joint meeting with the Minister?

**David Rutley:** My goodness—that sounds like an incredibly good idea. Joined-up thinking! I like the sound of that. I will gladly arrange that meeting.

The hon. Member for East Lothian talked about illegally harvested timber. We will ensure that there is a successor arrangement in a no-deal scenario, and are creating a UK forest law enforcement, governance and trade system.

I think all hon. Members recognise that UK forestry and timber processing is a growth sector, and that the value of our forests is on the increase—not just commercially, but in terms of natural capital. Market conditions are good, which gives us the opportunity to increase British wood production. Although the UK's exit from the EU may pose challenges for the forestry and timber-processing industries, we are working flat out to ensure that those issues are mitigated. We want to create more opportunities for the production of domestic timber. That will fit neatly with the commercial opportunities and what we are trying to do with our 25-year environment plan and our clean growth strategy. I know that is important to the hon. Gentleman and to others who participated in the debate. I thank him for securing this important debate, and I assure him that achieving those objectives is very important to me in my new ministerial role.

*Question put and agreed to.*

11.30 am

*Sitting suspended.*

## Leaving the EU: Aviation Sector

[MR PHILIP HOLLOBONE *in the Chair*]

2.30 pm

**Mike Kane** (Wythenshawe and Sale East) (Lab): I beg to move,

That this House has considered the effect on the aviation sector of the UK leaving the EU.

It is, as ever, a pleasure to serve under your chairmanship, Mr Hollobone. The focus of today's debate is the aviation sector and the risks and opportunities that will be presented when we leave the EU. Aviation and the international connectivity it provides are one of the key drivers of trade, exports and tourism, bringing economic growth and prosperity to the UK.

To many people, an airport is a place they pass through on their way to and from a summer holiday, and an aircraft is simply a thing they board to go on a weekend away or a business trip. However, like many Members here today with airports in and around their constituencies, I know that aviation is about a lot more than that. It is a large, technical and complex industry, and the ease and regularity with which we use it often hides the expertise and investments that go into making it so safe, simple and affordable for all our constituents.

In my own constituency, the sector is a vital source of employment, with more than 25,000 jobs directly supported on the Manchester airport campus. Hundreds of businesses outside the airport work to supply it, sustaining thousands more jobs. Those benefits come from just one airport, and there are many more like it across the country. Imagine the headlines that would follow if a new business was brought to the UK with the promise of creating 25,000 jobs. Imagine the crisis headlines we would read if even a fraction of employment on that scale was suddenly lost.

Aviation is a key enabler of overseas trade. As an island nation, we rely on flight connectivity more than most as we strive to get British products on the shelves of markets around the world, or foreign goods on ours. In addition, as an economy with such a prominent services sector, being able to move British expertise around the world plays a major role in our overseas trade, and that role will only continue to grow.

It is well known that we as a nation need to export more and to ensure that British businesses are competing effectively on the world stage. It is clear that, for those businesses that export, travel and trade abroad, their international exploits are made a lot easier when they have access to direct air links to their chosen markets. Growing our access to those markets will be even more important after Brexit, as will ensuring that they can access the UK market. I am very proud to represent an airport that has the most point-to-point connections of any airport in the UK.

Tourists from all corners of the world flock to the UK to sample our countryside, our history and our cultural, sporting and other assets. In Manchester alone we are surrounded by the Peak district and the Lake district. We have the world's most famous and successful football teams—some of my hon. Friends here today might argue about which is the most successful of the

[Mike Kane]

two. Manchester has an international cricket ground, fantastic universities and even the British Broadcasting Corporation.

As Britain leaves the EU, we need people from right across the globe to find it quick and easy to visit the UK to support our tourist economy. I am sure that colleagues from all parties in this House, regardless of their political background and how they voted in the EU referendum, would agree that it is critical that we continue to enjoy those benefits and that the choice available to our constituents today remains the same. That is critical to those who rely on tourism as their source of income, and it is critical to the businesses that the Government want to support—those that export and trade with the world.

I want to outline both the risks and the opportunities for the aviation sector as we edge closer to the EU exit door. The most fundamental of those is maintaining the connections that are utilised so much today. Some 74% of flights from Manchester airport go to other EU nations. The EU remains our biggest export market and the place where most Britons travel on holiday, with about two thirds of overseas holidaymakers going to Europe every year. It is clear that we have a mutual interest with the EU in a deal being done so that the doomsday scenario of planes being grounded on 29 March next year does not play out. I ask the Minister whether he can provide reassurance that aviation remains at the top of the list as negotiations continue, and that it will be prioritised quickly should no deal become a reality.

Lucy Chadwick, the director general of the Department for Transport, recently said to the Public Accounts Committee that air and rail services between Britain and the EU are an “area of growing concern.” The House of Lords EU Committee reported last year:

“There is no adequate ‘fall-back’ position for aviation services in the event that no agreement is reached with the EU. Air services are excluded from the WTO.”

That is worth repeating: there is no World Trade Organisation fall-back position for aviation when we exit the EU next year. Although airlines and airports are optimistic that a deal will be negotiated, there is a very real danger that planes will be unable to take off if we leave the EU without a deal. Can the Minister comment on that and, furthermore, describe the practical steps the Government are taking to secure the mutual recognition of aviation safety standards, which is currently provided for under the European Aviation Safety Agency system? This must be about not mitigating any risk to aviation, but actively supporting it after Brexit.

The opportunity is there for us to pull the levers we need to further improve our links with the rest of the world and to edge ahead of our competitors. We have the chance now to think about the markets we want to access if we are serious about Britain competing on the world stage after Brexit. There is no better time to consider the kind of aviation sector we want and the role we want it to play in driving growth and prosperity, particularly in our regions. It is clear that those benefits need to be spread across the whole of the UK—not only by allowing people in the north to fly south, but by

allowing people from all over our country to fly wherever they need to. That strategy goes hand in hand with defining what a post-Brexit Britain will look like.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): The hon. Gentleman talks about Brexit allowing a reorientation so that we can look at where else in the world UK airlines can fly to. Can he explain why we cannot do that now, and why we need to lose our flights to Europe to gain flights to elsewhere?

**Mike Kane:** We are doing that now at my own airport. I will be going to the inaugural flight from Manchester to Mumbai next week. We now have direct connectivity to Beijing and Hong Kong, and shortly we will announce direct connectivity to Shanghai as well. Airports are increasingly going from point to point, and that seems to be the way of the future.

**Lilian Greenwood** (Nottingham South) (Lab): I wanted to come in at that point, because my hon. Friend is talking specifically about those connections between Manchester airport and China. I want to touch on air freight, because Manchester has seen a £300 million increase in air freight exports to China in the last two years. To have that thriving air freight sector requires further work to be done. Does he agree that the UK needs to be doing better, given that we are outside the top 10 on the air trade facilitation index and outside the top 20 for electronic freight processing?

**Mike Kane:** The Manchester Airports Group includes East Midlands airport, which is close to my hon. Friend’s constituency, and Stansted. East Midlands is a huge hub for freight leaving the UK, and has huge expansion potential. I am concerned that the Government are not ready to use the opportunity, as we leave the EU, to prepare the aviation sector for the next, crucial five to 10 years.

The welcome that we give to those who visit us is also part and parcel of creating a truly international Britain after Brexit. It is how we tell the world that we are open for business and how we encourage tourists to come to see us time and time again.

Lots of questions still need answering, and there is a risk that questions are not being answered in good time. I am sure we were all concerned by the recent National Audit Office report on our state of preparedness for a no-deal scenario. Airports across the country have repeatedly reported problems of under-resourcing, queues at the border and a total dissatisfaction with the targets that Border Force works to. The Government have continued to cut funding for Border Force, while passenger numbers have grown, so can we really expect a proper service at our borders? I hope the Minister will tell us what the Government are doing to work with airports and Border Force to put in place a realistic, long-term plan to ensure our borders are adequately resourced into the future.

Finally, as I said, the aviation sector is a huge employer in its own right, and millions more are employed in related industries, such as the visitor economy and the logistics sector, which my hon. Friend just mentioned. Across the country, tens of millions of EU nationals make a valuable contribution to those industries. Although I am hopeful that arrangements will be put in place to

ensure that people can remain employed in those sectors, we need to think seriously about what happens post Brexit. We must ensure we have the skills and training to support and grow the aviation sector in the years ahead. We have the opportunity to get this right through the industrial strategy process to ensure that Britain is known around the globe for delivering world-class service and hospitality, as well as for having a slick, efficient transport system.

As I have outlined, aviation is an essential component of an outward-looking Britain. It must continue to play a pivotal role in our economy and our social and cultural future, but the question is, how will we harness that potential? How will we use the sector to drive growth through enhanced trade and investment in tourism? How, on a more basic level, will we ensure that consumers continue to enjoy the choices they enjoy today? If we are serious about creating a balanced and truly international Britain, we must prioritise this sector now, during and after our exit from the European Union.

**Several hon. Members** *rose*—

**Mr Philip Hollobone (in the Chair):** Order. The debate can last until 4 o'clock, and I am obliged to call the Front-Bench spokespeople no later than 3.28 pm. The guideline limits are 10 minutes for the Scottish National party, 10 minutes for Her Majesty's Opposition and 10 minutes for the Minister, with Mr Kane having two or three minutes at the end to sum up the debate. Until 3.28 pm, it is Back-Bench time. The first Back-Bench contribution will come from Jim Shannon.

2.43 pm

**Jim Shannon (Strangford) (DUP):** Thank you, Mr Hollobone. It is not often that I get called first, so I appreciate the opportunity. I congratulate the hon. Member for Wythenshawe and Sale East (Mike Kane) on securing the debate, and I thank him for the cohesive way in which he put forward his point of view. His speech was constructive, and he looked forward with some positivity to our exit from the EU on 29 March next year.

I am delighted to have the opportunity to speak on this matter. In my constituency, I have Bombardier, which is involved in the production of planes, and Belfast City airport is not that far away, so domestic connectivity is very important to us. The hon. Member for Nottingham South (Lilian Greenwood) referred to air freight. We have some of the largest air freight connections in the domestic market through Belfast International airport. It is surprising how much air freight goes through the airports of the United Kingdom, and Northern Ireland in particular.

I hope I will be able to bring a bit more positivity to the debate. Of course, the ongoing Brexit negotiations are complex and difficult, but leaving the EU was never going to be quick and simple. If only that were the case. It will not come as a surprise to hon. Members that I think Brexit is a fantastic opportunity, including for our aviation sector, and I hope to expand on that point of view.

Although hon. Members have different points of view about Brexit, we are united by the need to have a thriving aviation sector in the UK after we leave the EU. I believe that it will thrive. The hon. Member for Wythenshawe and Sale East put forward that view very eloquently, and I support that.

The UK has the second largest aerospace sector in the world, behind that of the United States, and the largest in Europe. We must not underestimate the importance of our aviation sector to the EU or the importance of the EU's sector to the UK. We both need each other. I often say in this House that we are better together. In this case, we are parting, but there is no reason why we should not be able to work together.

It is in both our interests to secure the best deal to allow the liberalisation of air transport to continue. The UK is currently a member of the European common aviation area, which allows registered airlines to have a base in one member state and operate on a cabotage basis—to use the terminology that they use—in other member states. It is an arrangement that works well.

The latest European Council negotiating guidelines aim to maintain connectivity between the UK and the EU through an air transport agreement. The Minister will respond to this debate in some detail, and we look forward to his comments. Naturally, at this stage it is unclear what that agreement might be. It might involve an open skies arrangement like the one the UK currently has with the US, or it might involve negotiating a single bilateral agreement with the EU as a whole, if member states give it a mandate to negotiate on their behalf.

Given the value of the industry to the United Kingdom and the EU, I am confident that we will get a good deal for our aviation sector and for future air travel between the UK and the EU. We need each other to succeed in this sector. London remains the world's best connected and most attractive destination.

Although it is a while off, and there are hurdles to overcome, the third runway at Heathrow should be an even greater draw to London. It will improve our connectivity across Europe and with the rest of the world. My party and I fully support the third runway at Heathrow, and we would like to see it happen sooner rather than later.

In 2016, the chief executive of the Civil Aviation Authority said that the UK is a key player in aviation, and he was not wrong. We have the third best developed aviation network in the world, just behind the US and China. The figures show why the UK is such a vital player in the sector. It is not surprising that some airlines are already applying for licences to operate in the UK in the event of no deal. I suggest that that shows the confidence that people outside the United Kingdom have in the UK's aviation sector. Although I am confident that we will secure a good deal—it has always been my intention that we will, and hopefully the Prime Minister will be successful in that—it is good that airlines are preparing for any eventuality. It is also welcome that, despite people's warnings, airlines have every intention of continuing to fly to and from the UK. Life will not end when we leave the EU on 29 March. Indeed, it will get better. That has got to be good.

As well as liberalisation, we should also consider our membership of the European Aviation Safety Agency, which develops common safety and environmental rules at the European level. The Government have explicitly stated that they want to negotiate some sort of ongoing membership of EASA after Brexit, and there is widespread agreement that continued membership would benefit both the UK and the EU.

[*Jim Shannon*]

In a speech in 2016, Andrew Haines highlighted that the UK and France provide two thirds of the rule-making input on European safety regulation, and that together we undertake close to 90% of EASA's outsourced activities. Again, that indicates EASA's importance to the United Kingdom. Mr Haines set out four principles for the UK to consider during the Brexit negotiations. The third principle, which relates to competition, could present a real opportunity for the UK post Brexit. It relates to airline ownership rules, which are currently very outdated. Perhaps the Minister will comment on that. If the UK relaxed the ownership arrangements that UK-registered airlines currently have to comply with, that could present an opportunity to attract new equity from non-EU investors, which could improve choice and competitiveness for consumers.

Haines also referred to the EU slot regime, which requires that 50% of new slots are allocated to new competitors at a particular airport. I believe, however, that restricting such a large proportion to new entrants has been a barrier to strong competition, and changing our rules could be one advantage of leaving. That shows a lack of future planning from the EU, which could be to our benefit. The UK will have the opportunity to develop a new and more competitive slot regime—there are enormous possibilities.

As negotiations continue, there will be difficulties and we must plan for every eventuality, but it is also important to see the potential opportunities that Brexit could bring to the industry, especially regarding competition, which can drive prices down and keep air fares low. We should also consider the way that the industry has responded to date; according to ADS Group's 2017 figures, the sector directly employed 120,000 people, with a further 118,000 employed indirectly—enormous employment figures. In 2017, the sector had a turnover of £31.8 billion, which was up 39% in five years. If a sector is growing, and probably outgrowing every other sector, it is the aviation sector of the United Kingdom of Great Britain and Northern Ireland.

While productivity growth in the general economy between 2010 and 2016 was just 3%, it was 19% in the aviation industry. Not only that, but so far, the UK's decision to leave the EU appears to have had no financial impact on the industry, which is perhaps another positive indication of where we are. In fact, according to ADS Group's 2017 figures, 73% of companies were planning to increase investment—an indication of their confidence in the future. In Northern Ireland, Bombardier secured a deal in May this year with the Latvian carrier airBaltic, for up to 60 Belfast-made jets, which is another indication of how well our aviation sector is doing and how it benefits all regions of the United Kingdom.

Of course, airlines are concerned and, given the uncertainty, that is not surprising. It is important to consider the value of the sector to the UK and to the EU; to realise that Brexit can provide positive change and opportunity for the UK; and to realise that little has changed since the referendum. Moreover, aerospace is an important part of the Government's industrial strategy: a number of initiatives have been set up to boost research and investment, and to guarantee exports. The Aerospace Growth Partnership and the Aerospace Technology Institute have both been set up in recent

years as a collaboration between Government and the industry, to build on past success and look forward to the future success.

**Lilian Greenwood:** Like the hon. Gentleman, I am very concerned about the implications of leaving the European Union for our aerospace sector. The chief executive of Airbus said that there will be "severe negative consequences" to withdrawing from the European Union, and that they will be particularly severe if there is a hard or no-deal Brexit. Does he agree that it is essential that the Government address those issues to protect high-skilled and high-paid engineering jobs in our aerospace industry?

**Jim Shannon:** I thank the hon. Lady, but for the record, I do not share her concerns about leaving the EU in relation to the aviation sector. Maybe I did not make that clear enough, so let me make it quite clear: I believe that we should look forward to a very positive future. That has been demonstrated in my own constituency, where Bombardier have secured a fairly substantial and significant contract, and by aviation authorities and the airlines, which have indicated their confidence in the direction of the country over the last five years. It has been a fact that we are going to leave the EU for a year and a half of that time, and that has not slowed the industry. Government's central theme of support, focus and strategy for the aviation sector indicates to me that good times are just around the corner. Hopefully, after 29 March 2019, the good times will come back, and those who have doubts about that just have to look at how the aviation sector is growing in anticipation. I put on record that I hope that the Prime Minister secures a deal for the UK, but in the event that she does not, the aviation authorities are well aware of their options in that scenario.

**David Simpson (Upper Bann) (DUP):** I sincerely apologise for being late, Mr Hollobone; I had another meeting. Does my hon. Friend agree that if we can get the Government to look at air passenger duty, we would see a significant change in the aviation industry? In the Republic of Ireland, numbers have soared above 13 million passengers because the air passenger duty has been abolished. If that could be achieved in the UK, we might see even better days within the aviation industry.

**Jim Shannon:** I thank my hon. Friend and colleague for his intervention. I am glad that he has reminded me to mention air passenger duty. We feel that abolishing APD would benefit Northern Ireland, as well the rest of the United Kingdom of Great Britain and Northern Ireland, and that we would gain from that collectively. In the Republic of Ireland—Northern Ireland's next door neighbour—Dublin airport has grown in leaps and bounds because it is more competitive. I have highlighted the different advantages of competition, which we need to drive prices down and drive the numbers up, and we will soon have that opportunity.

Brexit is a once in a lifetime opportunity and a chance to reduce unnecessary regulation and red tape, both in aviation and across other sectors. It is also an opportunity to continue working closely with our EU counterparts—we have to—to ensure that safety and environmental standards are met and continue to improve, which is to everyone's advantage. I am interested to hear



what the Minister has to say about that, and I look forward to his comments, as well as those of the shadow Minister.

Given the global nature of the airline industry and the need to be connected to one another, I am confident that a good deal will be secured; one that is in the interests of both the United Kingdom of Great Britain and Northern Ireland and of the EU. There are many sectors where close co-operation and mutual interest will play a role, but none more so than aviation and aerospace.

2.57 pm

**Dr Philippa Whitford** (Central Ayrshire) (SNP): It is a pleasure to serve under your chairmanship, Mr Hollobone. As hon. Members have mentioned, Brexit is five months away, and aviation is not covered by World Trade Organisation rules and is not usually covered in other free trade agreements. The idea that we can replace the European common aviation area easily is not true.

The single aviation market has transformed flight for ordinary punters. Most people in the Chamber will know that my husband is German, and when we first started our four-year long-distance romance, it cost £220 to fly from London to Hanover. Now, people can fly all over the place, often for less than £50 each way, which has transformed how much we fly. We have seen a huge rise in connectivity across Europe, in people travelling in both directions and, in particular, in people flying. That is because airlines registered in the EU can fly domestically in another country or between two third countries, which allowed them to drop prices—*[Interruption.]* I apologise; the hon. Member for Strangford (Jim Shannon) is trying to throw me off.

As we know, easyJet has registered in Austria to try to get around the fact that it is a UK airline and might have difficulties flying within Europe's single aviation market. The airline that flies to Glasgow Prestwick—the airport in my constituency—is Ryanair, an Irish-EU airline, and may be forced to consider registering in the UK. The problem is that it would then be a part-UK, part-EU airline. That does not replace what we have at the moment; it avoids triangular flying. Very few routes just shuttle backwards and forwards; often, we hear that the plane we are boarding has just come from somewhere else.

This issue is critical for my local airport. Prestwick is a major airport: we have 50% of the Scottish aerospace industry and a huge cargo industry. Although our passenger numbers have dwindled, they are still a significant proportion of our income. In particular, they represent the main part of Ryanair's flights to the Iberian peninsula. The problem is that in recent years we have had no strategic plan for regional airports across the nations and regions of the UK, and, obviously, we have had air passenger duty. The hon. Member for Strangford talked about competing with the Republic of Ireland where they have not just got rid of air passenger duty but have dropped tourism valued added tax to 9%. If people in Europe or America decide whether they fancy the mountains of Scotland or the mountains of Ireland, unfortunately one is much more expensive than the other.

Things can be done in UK policy to try to support our network of airports, but Brexit clauses are already creeping into airline bookings. Already, tourists are holding off because they are not sure what will happen. The International Air Transport Association said that the Brexit deadline might be next March, but tourists

book six months to a year in advance. For airlines the deadline is in October 2018 right now, but they have no idea what the landscape will look like.

My constituency is also a major tourist part of the country, where golf is a significant attraction in beautiful rolling countryside on the west coast of Scotland. We think often about the outward-bound tourists—and that is us when we go on our holidays. Three quarters of visits from the UK are to the EU, and EU passengers make up half of all passengers who fly backwards and forwards. Nine out of 10 of the flight destination top 10 are in the EU, the US being the only non-EU country in the top 10. However, inward-bound tourists are more important because they do not just generate a bit of duty-free and the price of a flight but stay in hotels, eat out and go to pubs and to the theatre. That is a major part of the tourism industry—I use that term advisedly because tourism is often overlooked as an industry, but in the more rural parts of the United Kingdom, tourism often is the main industry. If we are not attracting people because it is harder to get here, flight numbers are decreasing or APD puts people off, that will lead to huge shockwaves right through our local economies.

Another part of the significant work in Prestwick is maintenance, repair and overhaul work. Multiple companies perform that work, including for Ryanair. If Ryanair decides not to fly to Prestwick, we would not only lose that passenger income—Ryanair will not fly there just to get its MRO work done if it no longer brings planes through. It is critical that we stay in the European Aviation Safety Agency, because the companies that carry out MRO work do so under EASA part-145 that allows them to release a plane as safe to fly in the EU. Their engineers are licensed under part-66; they could go off and license themselves in the national aviation agency of another country, but the company cannot do that. We are talking about companies that could do MRO work only for United Kingdom airlines but not for European airlines. That would take away an enormous swathe of MRO work.

We have companies such as Chevron or GTSMRO that are local, home-grown companies in Ayrshire, but we also have major multinationals such as UTC Aerospace Systems, Goodrich Corporation, Woodward, BAE Systems and more. As the hon. Member for Nottingham South (Lilian Greenwood) mentioned, they generate high-quality, high-paid engineering jobs—not something that can be easily replaced. We have companies in our aerospace cluster that manufacture parts for planes, such as Spirit AeroSystems, which makes the leading edges for Airbus wings.

If the aviation industry starts to shrink, inevitably that will have a follow-on impact on MRO work and manufacturing work. Those are really good jobs. With the clock ticking down to Brexit, we are already getting past the aviation deadline. It is important that we start to get some vision from the Government of their plan with regard to the EU, the single aviation market and staying in EASA, and of what they plan to do to support airlines in the UK, tourism and our regional airports.

3.5 pm

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): I congratulate my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane) on this timely

[*Luke Pollard*]

debate. It is only a shame that there are not more Members here to listen to the good contributions being made. Let me put on the record that before being elected, I was proud to work in aviation for ABTA for many years, working with large tour operators, airlines and airports. I am also vice-chair of the all-party parliamentary group on general aviation, which looks after airfields and small airports very proudly.

Brexit is a testing time for all parts of our economy. Whether hon. Members think Brexit is the best thing since sliced bread or a national disaster, we can all agree that the uncertainty created by Brexit is bad for business and bad for our country. For aviation, in particular, uncertainty is eating away at confidence in the investment and business decisions that are vital to its continued success in the UK. In that spirit, I hope my remarks will create some more clarity on Brexit and aviation.

If we are to mitigate the impacts of Brexit—or maximise the opportunities, depending on the side of the debate—we must look at the detail of aviation. How does it work, how are people employed, how are planes maintained—we just heard about that—and flown, and how will business investment continue? That requires an understanding of the detail of international agreements, but that involves a level of detail I have not really seen since I was elected to this place. Parliament is unaccustomed to dealing with that level of detail at scale, so I welcome this debate as a chance to get stuck in.

Sadly, my time with the hon. Member for Nottingham South (Lilian Greenwood) on the Transport Committee has just come to an end. When I left, I said I would continue to talk about transport and aviation, and I regard this speech as continuing that promise. It is worth talking about aviation in the UK because it is a global success story. We are really good at it, and we need to maintain that success. We have the largest aviation sector in the EU and the third largest in the world after the United States and China. We have direct connections to more than 370 international destinations, and more than 284 million passengers passed through a UK airport in 2017—a record number. Whether people are flying for business, for leisure or to visit friends and relatives, they all make a contribution to our economy. We must recognise that we get benefit from people not only flying in but flying out.

**Lilian Greenwood:** My hon. Friend made a great contribution to the Transport Committee. He will remember that the Committee was told repeatedly by the Transport Secretary that he is optimistic about a deal with the European Union on air transport. He told Parliament in November 2016 that he was

“absolutely in no doubt that we would secure in good time and effectively the agreements that our aviation sector needs”.—[*Official Report*, 23 November 2016; Vol. 617, c. 953.]

We are now five months away from the exit, and we still do not know what it means for our access to the European common aviation area or international agreements such as the open skies to the US; how it will affect our nine freedoms to fly and air traffic control, including our participation in the Single European Sky regime; and whether the UK will remain part of the UK-Ireland functional airspace block. Do those questions not need answering now?

**Luke Pollard:** I share my hon. Friend’s concerns. We need certainty about what is going on, and we need to ensure that we hear the authentic voice of British business. The Government’s use of non-disclosure agreements in some of the discussions taking place between them and industry about certain aspects, especially no-deal preparations, concerns me. We are not getting the clarity that we need from Ministers and, unfortunately, the hands of business have been tied by NDAs, preventing them from exploring how the worst effects of no deal can be dealt with.

I share some of the concerns of my hon. Friend the Member for Wythenshawe and Sale East about planes being grounded, but I want to deal with a couple of other aspects of EASA membership. Our debate in Parliament to date has focused on the safety role of EASA, but our participation in EASA is about more than safety certification and standards, although they are important. We also need to deal with pilot registration and engineering standards and qualifications. I want the UK to remain part of EASA. I simply cannot believe that any competent British Government would sanction our departure from that vital body.

The UK’s expertise makes an important contribution to EASA, with 40% of its staff coming from the UK. The UK also participates in nearly every single technical programme to facilitate the movement of both passengers and cargo. In our future relationship with EASA, which I hope is as a full member, we must maintain full participation, especially in EASA’s technical working groups, to get the detail of what is going on. EASA is not a body where we have no influence. Britain’s hard and soft power in EASA is strong. A third of EASA regulations come directly from the UK’s CAA, so we have a strong voice in that body and we need to maintain it.

The issue of CAA pilots’ licences was raised with me by pilots ahead of this debate. Currently, CAA pilots’ licences, gained at considerable cost to the individual, are recognised throughout Europe, and European licences are recognised in the UK. After Brexit, unless a provision can be made, all pilots flying in the UK will need a full CAA UK licence, and not necessarily an EASA one that is recognised in the rest of the EU. At present, pilots are swapping their EASA licences for UK licences to enable them to fly UK planes in UK airspace, but there is a considerable backlog in processing applications. Will the Minister tell us what the current waiting time is for processing the transfers of EASA licences to CAA licences? What plans does he have to reduce that considerable waiting list, and what guidance is given to the CAA on prioritising pilot licences for commercial flyers, perhaps ahead of leisure pilots, who might be less time-dependent? At the moment, they go into a single queue and are not prioritised.

**Dr Whitford:** I would be grateful for clarification. If pilots are changing their EASA licences for CAA licences, would that not limit their ability to fly within Europe?

**Luke Pollard:** Indeed. We need to recognise that, and that is why the full participation of the UK in EASA is vital. There is no point having a UK-only licence enabling flights within UK airspace, because the vast majority of flights from UK airports leave UK airspace. We therefore need those licences recognised at the point of destination and at the point of departure as well.

Will the Minister look at what actions can be taken to speed up the processing? Pilots need to carry their licences every time they fly, and when they do not have their licences they are grounded. Delays of six weeks are not uncommon. That is important because groundings of over a month trigger a requirement for additional time in flight simulators to ensure compliance with safety standards, and rightly so. However, that means the flight simulators are not being used for pilot training, and we know that we have a shortage of pilots not only in the UK, but around the world. That puts pressure on UK airlines when ensuring that they have a sufficient number of pilots to fly the aircraft that we need them to.

There are also concerns around engineering licences because EASA looks after the qualifications and certification of engineers as well as pilots. If UK engineers are no longer allowed to work on EU planes, as was hinted at in the technical notices that came out, it is deeply concerning. As we have already heard from the hon. Member for Central Ayrshire (Dr Whitford), the UK is a hub for not only aviation but aviation maintenance and support. Those jobs are not done only at London's big airports; they are done mainly in our regions and nations, bringing much needed high-skilled jobs into those localities. In the far south-west, Flybe has an excellent facility at Exeter airport, providing a good number of decent, well-paid jobs, recruiting from the local area and training people for a career in aviation that will, in theory, do them well. If UK engineers are prohibited from maintaining EU aircraft, how will such jobs be protected in future? A key part of keeping costs down in the UK is bringing foreign planes into UK airports; maintenance costs are subsidised by ensuring that, when there is space in the schedule, foreign planes can be maintained as well. If there is no authorisation to do so because we sit outside EASA, it has serious implications for the future of our industry.

Creating certainty is key, and the upcoming aviation strategy is an opportunity to create that certainty. Far too much of our aviation debate to date has been focused purely on London Heathrow. Although it is a very important airport for not only London but for the rest of the country, including Plymouth, we need to make sure that the future aviation strategy deals with airports big and small, in every region of the country, and creates more certainty. Ministers need to do more than just put out a bold statement. They can do more in several areas to create more certainty. It is about accelerating what, in many cases, the Government have already planned.

The confirmation that Five Eyes countries will be able to use e-gates was a welcome step, but what is not clear is when they will be able to use them. It needs to happen before 29 March next year. Confirmation that that will be brought in ahead of that Brexit departure date and not afterwards is important for airlines and airports.

We need to look again at our funding for the border. The queues are too long. If we are to have a comprehensive and positive welcome to Britain, at a time when there is increased uncertainty not only in the UK but among our international trading partners, we need to make sure that people are not queuing at the border. Additional investment in Border Force, and particularly its staff, is absolutely vital.

We also need Ministers to recognise that the flight is only one part of the customer journey. That is really important. People do not simply magic up at an airport and then disappear when they land. They have a journey to get to an airport, which is why surface connectivity is so vital and needs to be looked at. What are the opportunities that can be maximised by Brexit, and how can the impact be mitigated? Projects have been promised for some time, such as western rail access to Heathrow, and we need to accelerate that programme. Will the Minister set out when the timetable for funding western rail access will be delivered?

We also need the Government to look at regional connectivity to airports. Some have good connectivity in our regions, but others less so. At Exeter, Plymouth's local airport, we have a bus to the city centre only once every hour, which is not good enough. Supporting regional economies is vital.

The review of APD has already been mentioned. It could be a big boost to the UK economy. We need to bring forward the airspace review that Ministers have been considering for some time. We need certainty about how airspace will operate in future. The creation of flight paths that make it better and easier for airlines to invest in and fly from the UK could bring considerable benefits.

We also need to make sure that aviation is greener. Will the Minister set an objective for the UK to be the greenest and most sustainable aviation market in the world? That means really motoring the work of Sustainable Aviation, the industry-led body, to look at how improvements can be brought in.

Finally, will the Minister look at removing uncertainty by reopening Plymouth airport? This has been absent from most people's speeches so far, which surprises me. Plymouth airport, which closed in 2010, could make a big contribution to the future economy of my city, and also help provide the certainty for businesses to invest in the region as well. Plymouth airport was not a bucket-and-spade airport; it was an airport built on senior-level connectivity and high-value investors. It provided connectivity for our marine, maritime, oil and gas, and science industries. We need to preserve that. The loss of the airport has been detrimental to Plymouth. There are other forms of connectivity, but the train has to get through Dawlish, and we know that the impact of the hanging bridge, when the line was washed away, affected business confidence in terms of investing in the west country.

In conclusion, the more the Government can bring certainty to the aviation debate around Brexit, the better. In many cases, the tools are already sitting with Ministers. We need to be able to commit to full participation in EASA and to deal with the uncertainty around pilots' licences and engineers' certifications. We should also bring forward projects for aviation investment that can make a real difference in making journeys smoother, quicker and greener.

3.19 pm

**Alan Brown** (Kilmarnock and Loudoun) (SNP): It is a pleasure to serve under your chairmanship again, Mr Hollobone. I want, like other hon. Members, to congratulate the hon. Member for Wythenshawe and Sale East (Mike Kane) on bringing forward the debate.

[Alan Brown]

The opportunity is timely, given the ticking of the clock towards Brexit day. The hon. Gentleman was right to highlight the aviation industry's skills and its scale—the fact that it supports thousands of jobs, as well as exports, imports, businesses across the entire UK, and of course inward and outward tourism. He went on to highlight the risks and opportunities, and I found some parts of what he said easier to agree with than others.

Unfortunately I agreed with the negative points, rather than the positive ones. As to risks, the hon. Gentleman was right to highlight the risk to connectivity. There is clearly such a risk, and the UK Government are now beginning to acknowledge that. He highlighted how critical the EU is for Manchester airport's connectivity, citing the figure of 74% of its flights. With respect to connectivity risks and day-to-day operations, he mentioned evidence to the Public Accounts Committee that air and rail services between Britain and the EU are an "area of growing concern." That point was recently echoed by Michael O'Leary of Ryanair, who last month stated industry concerns about the implications of no deal, and the lack of preparation for that. Along with my hon. Friend the Member for Central Ayrshire (Dr Whitford), the hon. Gentleman was correct that the WTO is not an option; that is not an alternative that is compliant with the aviation sector. The UK Government need to get their act together.

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): Does my hon. Friend agree that the Department for Transport has been telling the aviation industry since the Brexit vote that it will be all right on the night? I warned the Airport Operators Association and others that, while that might be the case, there was no justification for that confidence. Does my hon. Friend agree with the EASA and Civil Aviation Authority employees I spoke to a few months ago, who think that there is a huge risk that the UK Government are sleepwalking into an aviation crisis, and that it is time we in this place, and the industry, made a lot more noise about it?

**Alan Brown:** I completely agree. The UK Government's attitude is completely blasé and lackadaisical.

The hon. Member for Wythenshawe and Sale East, in discussing opportunities, spoke about future markets, but I agree with my hon. Friend the Member for Central Ayrshire, who intervened on him to say we do not need Brexit for those opportunities. The whole growth of the airline industry is the result of our membership of the EU, so it is hard to see what opportunities there are. The hon. Gentleman spoke of aviation as an essential component of an outward-looking Britain, but unfortunately that is not the message that people from outwith the UK get at the moment. Britain is becoming too inward-looking, rather than being outward-looking. However, I agree with the sentiments of the hon. Gentleman's "how" questions to the Minister, and I should like to hear the response.

Clearly, no Westminster Hall debate would be complete without a contribution from the hon. Member for Strangford (Jim Shannon). He certainly knows how to maximise the lack of a time limit; he used all his experience there. It was good to hear him talk about the importance of Bombardier to his constituency, but it

reminded me of the games that can be played in trade negotiations, and protectionism such as the recent carry-on in the US. I am glad that that has been resolved, and it was good to hear about the new order for 60 planes to go to Latvia. I wish them well with the opportunities and jobs that it will bring.

The hon. Gentleman spoke about bringing positivity, but then even he had to admit that Brexit is not a quick and easy process, so I find it hard to believe in the opportunities that will suddenly arise the day after Brexit. I agree with him about the opportunities that the third runway at Heathrow would bring, but I hope he shares my concern at the fact that the UK Government have not confirmed how they will provide protection to domestic slots that are supposed to open with the expansion.

My hon. Friend the Member for Central Ayrshire confirmed that the single aviation market is what has transformed travel in the UK and within the EU, with the connectivity and opportunities it has brought. However, Brexit now brings risks to companies such as Ryanair, which is so important to her local airport, Prestwick. She highlighted the fact that those companies operate using the freedoms of the European common aviation area, and the registration issues that will arise post-Brexit.

Finally, the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) correctly highlighted issues to do with EASA—that it is not just a matter of safety. He pointed out the standards that it imposes for pilot registration, and consequent issues relating to conversion to the CAA and a bilateral agreement. We need to know the Government's plans as to membership of EASA.

It is clear that from the perspective of Tory Back-Bench Members the future of the aviation seems not to be of much concern. It is surprising that those Benches are empty.

As the clock ticks towards Brexit, the UK Government's handling of the aviation sector sums up their shambolic approach, including the attitude of the Secretary of State for Transport, who is an arch-Brexititeer and has the blasé attitude that, as my hon. Friend the Member for Paisley and Renfrewshire North said, "It will be all right on the night; everything will be okay." I am speaking of a Secretary of State who does not know how the US-Canada border works for lorry crossings, and who seems still not to accept Brexit's implications for the Ireland-Northern Ireland border. He is someone who goes along with the mantra "They need us more than we need them," and the assertion "You know what—Spain needs flights, and the tourists who come from the UK, or their economy will crash." That level of arrogance is not enough to get over the finishing line, which will need hard thinking, hard negotiations and a willingness to compromise.

Let us consider the promises on an aviation deal, to date. In November 2016, in a debate on Brexit, the Transport Secretary said he was

"in absolutely no doubt that we will secure in good time and effectively the agreements that our aviation sector needs to continue to fly around the world".—[*Official Report*, 23 November 2016; Vol. 617, c. 953.]

In October 2017 he told the Transport Committee:

"I am absolutely certain that over the coming months we will have mutual sensible arrangements put in place".

On the open skies agreement with the US, another EU benefit, he said in October 2016 that his

“expectation and my intention would be that we retain the open skies arrangement for the United States.”

In March 2018, after media reports that the US would offer only its standard bilateral agreement, those claims were rebutted. We heard from Nick Calio, the chief executive of Airlines for America, who said:

“In terms of the timetable, we hope something will be in place as early as the end of the month or the beginning of April.”

There we are. Two years on from initial claims of how easily and imminently those definite agreements would be reached, I ask the Minister where they are. Yesterday in an article in *The Guardian* we learned that with five months to go the Secretary of State for Transport admits that negotiations on an aviation agreement have not even started. What does the Minister say about that? It is truly shameful, if it is true.

It is now five months to Brexit day. As my hon. Friend the Member for Central Ayrshire said, airlines are now selling seats with disclaimers for post-Brexit issues. Clearly, people are being put off from making bookings beyond Brexit. It is a fact that lack of certainty is curbing airline expansion and the opening of new routes in the EU, with respect to the UK. If an EU airline has a choice of a new destination, it will clearly choose the internal EU market over the UK. That will be a simple business decision to make.

The UK Government have clearly been operating on the premise that there is no way the EU will allow flights to be grounded, because of the inconvenience that that would cause EU citizens and airlines. I agree that it seems inconceivable; but it also now seems to be a real possibility, and our only method of overcoming it seems to be to kick it into the long grass of a transition period. It is clear that the proper preparations for no deal are not in place. There will be some sort of fudge. It will be kicked down the road and not be dealt with properly. Why do not the UK Government look at staying in a customs union, the single market and the single aviation market? It just makes sense.

We have heard that the UK Government have been making contingency plans for no deal. They, too, have warned about the risk of planes being grounded. However, the advice about the no-deal technical notice for aviation seems to be that each airline is to negotiate directly with the relevant authority in each country that it wants to fly to, and must get approval from EASA, with the slight caveat added that at present there is no process enabling individual airlines to do that. What kind of no deal preparations are those? It is saying to the airlines, “It is over to you lot, because we don’t know what to do.”

**Dr Whitford:** Does my hon. Friend recognise that the open skies agreement is not just with America, but also with 16 other countries, and that those agreements would also fall?

**Alan Brown:** Absolutely, and that highlights the absolute chaos there would be if there is genuinely no deal and no arrangements are in place to fly to those countries.

The no-deal preparations confirm the UK Government’s incompetence, lack of direction and inability to manage this process. Will the Minister say what contingency

plans have gone into border control? We have already heard that UK Border Agency currently fails to meet its waiting time targets, so what are the proposals for increased personnel and preventing queues at the border? What plans have been made for customs checks? I accept that airports are probably more suited to deal with the implications of no deal than the ports currently are, but we still need to know about the Government’s plans, discussions and dialogues with airlines. I look forward to getting some clarity from the Minister. It would also be ideal to hear directly from the aviation Minister, but—this kind of sums up this place—the aviation Minister is in the other place, so MPs do not get to scrutinise and interrogate her properly.

3.31 pm

**Karl Turner** (Kingston upon Hull East) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone, and I pay tribute to my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane) for securing this important and timely debate. His excellent speech set out the current and future benefits of the aviation sector, as well as the possible risks. He said that more than 25,000 jobs—a staggering number—are directly supported by the Manchester Airport campus in his constituency. That is remarkable, and I pay tribute to Manchester Airports Group for its great work.

Labour believes that a strong aviation sector is crucial to the UK’s status as a global, outward-looking nation, and it is even more important following our decision to leave the European Union. As we have heard, Britain has the largest aviation network in Europe and the third largest in the world. It creates a million jobs, brings in tax revenues, and is vital for importing and exporting trade.

We are now just five months away from leaving the EU, and as the days pass, the risk of a no-deal Brexit becomes greater. Regrettably, it seems to be becoming more likely by the day that we might leave the European Union without a deal. Let us be clear: a no-deal Brexit would be a disaster for the UK aviation sector—indeed, the Government’s aviation technical notices relating to no deal confirmed that crashing out of the EU without a deal would be a total disaster for the UK’s aviation sector. It would have a serious impact, and that cannot be dismissed as scaremongering. It is crucial that the Government now prioritise securing a deal for the aviation sector, and provide the industry with the certainty it needs in the run-up to March 2019 and beyond.

Labour has always maintained that the aviation sector should have been the first priority for the Government in their negotiations with the EU. Despite that, when the Transport Secretary addressed the annual conference of the Airport Operators Association on Monday, we heard that the Government are still negotiating future arrangements for air services with the EU. Indeed, it is worse than that because, as I understand it, the Transport Secretary has not had a single meeting with one of his counterparts from the 27 European member states to discuss what would happen if we are in no-deal territory.

Ministers might like to boast that 95% of the Brexit withdrawal agreement is done, but that is completely irrelevant as there can be no agreement unless everything is agreed—a point reiterated time and again by the Prime Minister—and that includes reaching a suitable

[Karl Turner]

agreement on aviation. Consumers and businesses have benefited from the UK's global connectivity and access to markets, and the Government must build on that as we leave the EU. I would be grateful if the Minister could set out what steps the Government are taking to improve our global connectivity through aviation, post Brexit.

Labour believes that any new service agreements for the aviation industry following Brexit should seek to replicate existing arrangements as much as possible. First, and foremost, we must retain access to the Single European Sky air traffic management system. Since 2007 we have enjoyed an open skies agreement with the United States of America which, as the hon. Member for Central Ayrshire (Dr Whitford) made clear, includes 16 other countries. That must also continue.

Through our membership of the EU we are members of the European single aviation market, which allows airlines based in Britain to operate throughout Europe. There is no World Trade Organisation fall-back for the aviation sector, which means that unless the Government negotiate a deal there will be no legal right to operate flights to Europe. It is no good saying continually that everything will be all right on the night. The sector is worried, and it is crucial that we retain our status as a full and engaged member of the European Aviation Safety Agency. Alongside France we have been a key contributor to the development of European safety regulations and rulemaking, and nobody wants the UK to lose that influence. UK air passenger rights following Brexit should not be fewer than they currently are, and that is particularly important for disabled travellers and passengers with reduced mobility.

The entire aviation sector in the UK has developed through EU law, and it has led to cheaper fares and greater choice for consumers. Our current deal has given us greater consumer rights, and passengers can claim compensation for delayed and cancelled flights. We are members of the European Aviation Safety Agency, which deals with the safe operation of aviation. All that could easily be put at risk if we leave the EU without a deal. Will the Minister say what steps the Government are taking to ensure that we will have the same air passenger rights once we have left the European Union? Overall, the Government's shambolic handling of the Brexit negotiations could lead to thousands of skilled jobs being lost in the aviation sector unless they change tack and get a grip now.

**Mr Philip Hollobone (in the Chair):** If the Minister could conclude his remarks no later than 3.57 pm, that will allow Mr Kane time to sum up the debate.

3.37 pm

**The Parliamentary Under-Secretary of State for Transport (Jesse Norman):** I am grateful to you, Mr Hollobone, and rejoice in your chairmanship of this debate. I am also grateful to the hon. Member for Wythenshawe and Sale East (Mike Kane)—an old and much-loved colleague of mine from the Treasury Committee—for securing this important debate on the effect of the UK leaving the EU on the aviation sector.

I need hardly say that this is a matter of great importance to the Government, and a topic on which there is a keen focus on achieving our desired outcome. The hon. Gentleman asked for reassurance, and I can

tell him that aviation remains a high priority for the Government, just as it is for him. I point out to him and to the hon. Member for Kilmarnock and Loudoun (Alan Brown) that this country is far from not having an outward-looking industry—nothing could be further from the truth. We are proud of the aerospace companies. We know that, like all global businesses, they constantly have to manage change in their political circumstances, and we are pleased that there has been no shortage of capital investment in the UK.

The hon. Member for Strangford (Jim Shannon) is no longer in his place, but as he said, not only has there been new investment such as that in Bombardier but, as he put it, we can expect good times to be around the corner, based on the economic flows that he has observed. He is right about that, and we have projects such as the joint investment with the MOD and RAF Lossiemouth, and the Airbus Wing Integration Centre in Filton—my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti) has worked closely on that, alongside his other work with Airbus—and the opening of Boeing's first European manufacturing facility in Sheffield. Those are not the actions of companies that are worried about the UK, or about the safety of their investment and the possibility of it growing in the aviation sector—far from it—nor are they the actions of companies that are concerned that the UK might be, as the hon. Member for Kilmarnock and Loudoun suggested, turning in on itself. On the contrary, they show that the aviation industry is confident about Britain's place in the world post Brexit, and rightly so.

This is a priority for us and, as the Government's White Paper sets out, we are seeking to secure an agreement that maintains reciprocal and liberalised—I emphasise the word liberalised—aviation access between and within the territory of the UK and the EU, alongside UK participation in the EASA system. There is something of a contradiction among the things said by Opposition Members, in that they are perfectly happy to recognise that these things are matters that go down to the last minutes, because only when everything is agreed is anything agreed, but at the same time they are desperate for there to be more progress. In many cases it is the EU which is inhibiting progress on this for negotiating purposes.

**Karl Turner:** Considering that we are five months away from leaving the European Union, does the Minister think that everything is in place? Is he confident that there will not be any major problems, such as those that have been spoken about by hon. Members today?

**Jesse Norman:** I take all comments and points made by hon. Members across the House with great seriousness, but all I am doing is pointing out an inconsistency in the Opposition's position. The Government remain confident that an agreement will be secured. Not only that, it is interesting to see that there appears to be increasing confidence of that within the private sector as well, as the remarks of several chief executives of airlines have recently made clear.

**Several hon. Members** *rose*—

**Jesse Norman:** I have a short period of time in which to speak. I have been given a little extra time by the hon. Member for Kingston upon Hull East (Karl Turner). I have dozens of points to address but if hon. Gentlemen wish to intervene, I am happy to take their points.

**Alan Brown:** Can the Minister explain what the Government's confidence in reaching an aviation agreement is based on, given that the Secretary of State told the Airport Operators Association conference that discussions have not yet begun?

**Jesse Norman:** As so often the case, I am sad to have given way to the hon. Gentleman because these points are covered precisely in my speech and if I had had the extra 45 seconds to be allowed to make them, I could have reached them. We are seeking liberalised aviation access. We recognise that is what UK and EU consumers and businesses want and need. As we move forward it is important to be clear that we recognise that it is in everyone's interests to do a deal quickly and to make it a good deal.

Before I turn to the many specific points that have been raised, as colleagues have said aviation is crucial to the UK's economy and its standing as a great trading nation. It has been a global success—there can be no doubt about that. We have the third largest aviation network in the world and the biggest in Europe, with direct flights to more than 370 international destinations in 100 or so countries, providing at least £22 billion to the UK economy every year and supporting more than half a million UK jobs.

As a Government we do not wish to see the introduction of new barriers that would hinder the growth of our aviation industry—I do not think any Member of Parliament wishes to see that. That is why we are seeking to strike the right deal with the EU, one that allows that sector to grow and prosper. We should be clear that not just the UK will benefit from a liberal aviation market. It is in the interest of all EU countries and citizens that a comprehensive air transport agreement is negotiated.

Lest we forget, 164 million passengers travelled between the UK and EU airports in 2017. UK residents made 42.7 million visits to the EU and spent an estimated £21.3 billion while they were there. It cannot be in the interests of either UK or EU businesses or consumers for flights to stop, let alone be interrupted. That is why we are working so hard to reach a deal which continues the current arrangements, in as close to a liberalised form as we can.

As hon. Members across the Chamber have said, consumers and industry want certainty, and quickly. So do the Government and much, if not all, of the EU and its member states. It is true that negotiations on transport have yet to begin—that is an EU decision—but let me assure Members that we are ready for that when they do. We work closely with the aviation industry to ensure that the needs of the global sector are factored into our negotiations. Our objectives for future partnership on aviation are precisely to preserve the connectivity, the high safety standards and the efficient use of airspace that consumers benefit from today.

There are many reasons why the EU should and will, I think, agree to a liberal aviation deal with the UK. The UK has been at the forefront of driving forward the liberalisation of aviation markets across the world, precisely the point made eloquently by the hon. Member for Central Ayrshire (Dr Whitford). It is that liberalisation that has driven down prices and opened up accessibility to aviation markets for many people across this country.

We provide EASA with a significant amount of expertise and have played a key role in enhancing safety standards across Europe. One of the ironies of the present situation is that EASA was set up if not largely by the Civil Aviation Authority then with heavy influence from this country. We are a global leader in aviation security, with one of the best security systems in the world. Our geographical position in the aviation network means that along with Ireland, the UK services more than 80% of traffic entering or leaving EU airspace from the north Atlantic.

We start from a unique position of having wholly aligned regulatory standards with the EU. No two agreements are exactly the same; we recognise that. Each one will inevitably be tailored to suit the circumstances of the parties involved, but we seek an agreement on which we can build a further liberal future aviation relationship. The benefits that both sides gain from air transport are clear, and the benefits that we have described are so evident that we feel some justification in believing that the arrangements will continue.

As a responsible Government, we must also contemplate the unlikely event that we might conceivably be forced to leave the EU without a deal. We believe that flights between the UK and EU will continue, even if that happened. It would be in nobody's interest to introduce obstacles to airlines or to limit the choice of destinations that passengers enjoy today. The continuation of flights is far and away the highest probability, but we have to prepare for all eventualities until we can be certain of the outcome of negotiations. Our preparation plans continue at pace, against the possibility of a no deal, in part to support the final deal we eventually agree.

As part of that planning we have published three aviation technical notices. These set out the pragmatic approach that the UK would take in any no-deal scenario. The point of that approach is to avoid disruption to air services, to support businesses and consumers, and to maintain their rights across the EU. We expect the EU to do the same. We think they will. It is character for them and in the interests of both UK and EU consumers and businesses. Our preference, of course, would be to have in place a multilateral contingency agreement with the EU27. We are pleased that the EU is preparing for contingency plans as well as for future partnership discussions. We would welcome a common approach, but we must prepare for all scenarios.

It is certainly true that the UK and EU aviation sectors urgently need reassurance that we are working on positive post-EU exit solutions for all possible outcomes and that in any scenario there will be continued connectivity. Regardless of the outcome, the European Union (Withdrawal) Act 2018 will provide the maximum possible certainty to individuals and businesses about their legal rights and obligations as we leave the EU.

Turning to third countries, we are also aware that the issue reaches beyond the EU. We are working hard to deliver another priority, which is to replace quickly EU-based third country agreements with countries such as the US and Canada. We are working with these countries to ensure new replacement arrangements are in place after we leave the EU. Despite some reports to the contrary, talks have been positive and we have made significant progress. We believe with some confidence that these arrangements will be ready for exit.

[*Jesse Norman*]

The UK also has 111 independently negotiated bilateral air service agreements with countries all over the world, including China, India and Brazil. There will be no change to these when the UK leaves the EU. As always, we will continue to seek new and improved bilateral air service agreements with the rest of the world, seeking to improve connectivity, choice and value for money for businesses and consumers.

I turn now to the points raised in the debate, starting with those of the hon. Member for Wythenshawe and Sale East. He said that it was critical that the choices that constituents are able to make remain the same. We recognise that. It is important to be aware that tourism is booming across the UK and is now worth over £66 billion annually to the economy. As he knows, we are proposing reciprocal visa-free travel arrangements to enable UK and EU citizens to continue to travel freely for tourism. The Home Office has set out proposals on the movement of workers and will set out future immigration policy shortly. We have been clear that we seek a comprehensive agreement on air transport that provides for continuity of services and opportunities.

The hon. Gentleman asked whether there was an adequate fall-back. As I said, our preference is for a contingency agreement with the EU27 to be in place, but since the Commission will not engage with the UK at the moment, for tactical reasons of negotiation, we need to discuss bilaterally with member states what arrangements will be put in place. The aviation technical notices clearly set out the pragmatic approach we propose in any no-deal scenario. Specifically, we intend to give permits to EU airlines—this addresses the point the hon. Member for Central Ayrshire made about Ryanair—to allow them to operate in the UK, and we expect that to be reciprocated by the EU.

The hon. Member for Wythenshawe and Sale East and other colleagues asked what practical steps the Government are taking to secure the mutual recognition of aviation safety standards. Of course we recognise that our continued participation in EASA in some form will reduce regulatory burdens for the sector. As we set out in the White Paper, there is an established mechanism and a precedent for third countries to participate in the EASA system.

All UK-issued safety approvals and certificates conform with the international requirements of the Chicago convention, so all those associated with the international operation of UK-registered aircraft should continue to be recognised for the operation of air services by UK aircraft. Let me be clear that we are pressing the EU for technical discussions to take place between the CAA and EASA as soon as possible, to ensure that any respective contingency and other plans are fully aligned. We seek an improved shared understanding of the situation on all sides.

The hon. Gentleman expressed concern that the Government may not be prepared to use the opportunity to prepare the aviation sector for the next five to 10 years. As colleagues across the House have rightly pointed out, that issue is in many ways independent of Brexit. As colleagues know, the Government are developing a new aviation strategy, the purpose of which is specifically to achieve a safe, secure and sustainable aviation sector. That is a long-term strategy. It is not a 10-year or even a

five-year thing—it is a strategy out to 2050 that is designed to lay the foundations of a strategic shift and development in the way our aviation industry operates.

We have a strong focus on consumer issues, but of course we also champion the economic benefits of aviation. We will consider how we can maximise the role of our world-class aviation sector in developing trade links, but we recognise the need to focus inward on industrial strategy as well as outward on international trade. On 7 April, the Government published the aviation strategy next steps document, which outlines the key challenges ahead for aviation and our considerations in responding to them. We plan to deliver a final aviation strategy in early 2019—for those who asked, that is not so far away.

Turning to airports and Border Force, the Department for Transport continues to work closely with Border Force on the “Welcome to the UK” initiative. Border Force recognises that, given predicted passenger growth, which is undiminished by the concerns that were raised, queues at passport control may get longer. The purpose of the recent announcement that millions more people will be able to use e-passport gates was precisely to meet that long-term contingency. The two sides are committed to working closely with the industry to minimise queuing times by reducing last-minute schedule changes and ensuring that service-level agreements are set at the right level. Alongside that, the Government plan to consider whether there are additional or alternative funding mechanisms in the medium term.

The hon. Member for Wythenshawe and Sale East rightly asked whether skills and training will be adequately maintained in the face of the changes to the sector after Brexit. I reassure him that the Government are very much committed to working with industry to support the aviation sector. The Department is working closely with officials across Government to explore all those issues and to incentivise the growth of the UK aviation sector in the longer term by examining options to stimulate skills and training alongside and through the work that is being done in this sector under the industrial strategy. We believe aviation is critical to both the UK and the EU, and we are determined to make it so in the future, too.

The hon. Member for Strangford, who was not in his place when I mentioned him earlier, is absolutely right to highlight the continued investment in this country. He said good times are around the corner. I think times are pretty good at the moment, given the way tourism is booming and the economy continues to grow. We have a late-stage economy that is still growing at more than 2.5%—I think we can all be very pleased about that. He is absolutely right that that performance is not discounting a disaster post Brexit; it is actually discounting continued business and economic growth, and rightly so.

The hon. Member for Central Ayrshire rightly pointed out the huge falls in flight costs that resulted from liberalisation. She highlighted Hanover. I am pleased to say that when George I came to this country from Hanover he did not have to go by aeroplane, but it would have been a lot cheaper if he had done so—in her judgment, the Elector of Hanover could have come here in a matter of hours for something like £50. Let me reassure the hon. Lady that Ryanair should have no reason at all not to fly to Britain. The UK intends to continue to offer arrangements that will allow it to fly



unimpeded to this country, and we expect the EU, in the open spirit I described, to do the same, as we grant permits to EU carriers. But we want a comprehensive, liberalised agreement, and she rightly focused on the benefits of that.

The hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) raised non-disclosure agreements. I do not think there is anything that any Government could or should be concerned about in that respect. This is a very delicate time in discussions with the EU over Brexit, and such agreements are quite common.

I was invited to wind up by 3.57 pm, so I will quickly pick up some other points. The hon. Member for Plymouth, Sutton and Devonport mentioned licences, and I have a private pilot's licence myself. Tragically, I have not used it much recently, but I am sensitive to the point he raised. I am confident in the capacity of the CAA to manage any issues and to ramp up. Given the time, I should probably sit down. Thank you very much indeed, Mr Hollobone.

**Mr Philip Hollobone (in the Chair):** I call Mike Kane to bring the debate in to land.

3.57 pm

**Mike Kane:** Thank you, Mr Hollobone. We have had a good debate. Now we know the Minister has a pilot's licence, we know he could have brought it in to land himself, but he had to wind up.

Since Richard Arkwright built his mill in 1783, Manchester has been a global trading city. That is why this issue is important to me, my constituents and the 30 million passengers, and that is why I look at a global Britain. I say with all gentleness to the hon. Member for Kilmarnock and Loudoun (Alan Brown) that his was the first contribution from the Scottish National party Front Bench that did not mention air passenger duty. I say to him: "Now that you've got the power, use it if you want to be a global Scotland." That is really important.

I turn to my fellow seafaring city MPs. My hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) made a fine speech, which demonstrated his expert work before he came to the House, and I wish him all the best with his campaign to reopen Plymouth airport. I agree with my hon. Friend the Member for Kingston upon Hull East (Karl Turner) that it would be devastating to leave without a deal. Although the Minister summed up our relationship with the EU on aviation really eloquently, it is still worrying that we have had no negotiations to date. It is important that those do not go down to the last minute.

The hon. Members for Strangford (Jim Shannon) and for Central Ayrshire (Dr Whitford) summed up the issue. As the hon. Gentleman said, this is about confidence and there are options, but the industry needs to know what its options are because, as the hon. Lady said, we are selling slots for summer now. This is not a problem for next summer—it is a problem now. We must get the Government around the table, get a deal and ensure we can go forward in confidence as global Britain with our aviation sector.

*Question put and agreed to.*

*Resolved,*

That this House has considered the effect on the aviation sector of the UK leaving the EU.

## Alpha-1 Antitrypsin Deficiency

3.59 pm

**Mark Pawsey (Rugby) (Con):** I beg to move,

That this House has considered treatment for alpha-1 antitrypsin deficiency.

It is a pleasure to serve under your chairmanship, Mr Hollobone.

Hon. Members might wish to know what alpha-1 antitrypsin deficiency is. It is a rare and complex hereditary illness, and those who suffer from it simply refer to it as alpha-1 and to themselves as alphas. Some people affected by alpha-1 are in the Public Gallery today.

I will explain the condition: alpha-1 antitrypsin, or AAT, is a protein produced in the liver. In healthy people, it is released into the blood circulation to protect the body from the effects of inflammation, but for those with alpha-1 the protein does not function properly and is trapped in the liver. That can cause damage to the liver and, because the protein is unable to circulate around the body, the lungs lack the protection they need from the damaging effects of pollutants and infections. Those with alpha-1 are particularly susceptible and sensitive to cigarette smoke, for example.

Alpha-1 affects both children and adults, and the condition is chronic and progressive. It can affect life expectancy and lead to disability, leaving sufferers dependent on the health service and carers. The damage it can cause to the liver can lead to jaundice, sickness and tiredness, and those with the condition are more prone to chest infections, often leading to a swift deterioration in health. In extreme cases, patients can require an organ transplant.

In the early stages, it is common for alpha-1 not to be properly diagnosed, and sufferers are often thought to have asthma or chronic obstructive pulmonary disease, more widely known as COPD. In many instances, they are treated for those conditions for a number of years before a correct diagnosis is given. As with most conditions, the earlier diagnosis takes place and appropriate treatment can begin, the better someone's chances of managing the condition.

I became aware of the condition in 2012, when a constituent of mine, Sarah Parrin, attended my constituency advice surgery and brought along her son, Stephen Leadbetter. Stephen's case was characteristic of many others across the country. He had been thought initially to have severe asthma; he had suffered with lung problems since the age of 14 and had undergone several surgeries due to pneumothoraxes. Those occur when small sacs of air collect in the pleural space between the lung and the chest wall, creating pressure on the lungs that can lead to lung collapse.

Stephen was 22 when I met him, and had only just been diagnosed with alpha-1, eight years after he had really started to suffer. The thing I remember most about his mother's bringing him to see me was her telling me how things would have been so much better if Stephen had been diagnosed earlier and been able to access specialised services. If that had been the case, his health might not have declined so rapidly during his teenage years.

**Jim Shannon (Strangford) (DUP):** I congratulate the hon. Gentleman on bringing this matter to Westminster Hall for consideration. As my party's health spokesperson,

[*Jim Shannon*]

this is something that I have responsibility for, so I appreciate it. While AATD can cause a lot of conditions, such as COPD or liver disease, it is a separate condition. If treatment for it was available in the UK, that could prevent the development of other lung and liver conditions, as he has said. Surely the prevention of other diseases would be of long-term benefit to the national health service. I say that to the Minister in particular. While there are some lifestyle changes that people can make, AATD is inherited and if a person has inherited two ZZ genotypes they are likely to develop further issues.

Does the hon. Gentleman agree that time must be given to clinical trials involving AAT augmentation therapy? If he does, perhaps the Minister would like to respond positively to that.

**Mark Pawsey:** The hon. Gentleman anticipates two of the asks that I will come to later; I thank him for that helpful contribution.

Going back to Stephen's condition, he suffered very seriously from chest infections. In fact, at one point he suffered with his lungs collapsing, and Birmingham Children's Hospital, which was treating him at the time, took the decision to staple his lungs to his chest wall. As I say, it was eight years after first presenting with the issues that Stephen's own general practitioner tested him for alpha-1 and that was found to be the condition he was suffering from.

The British Lung Foundation estimates that approximately 25,000 people in the UK suffer from the disease, and while many can live relatively normal and healthy lives, others such as Stephen suffer from the condition. Interestingly, I was contacted only today by a colleague here in Parliament, who told me that they suffer from the condition and that, as one of three siblings in a family of six, they were involved in a study based at University College London in the 1970s. That was someone we would not recognise as being a sufferer, which exemplifies the fact that not everybody shows the symptoms that so many people have.

It is rarer for children to suffer, which explains why the doctors who treated Stephen did not test for alpha-1 initially, but we can be grateful that by 2012 he was finally correctly diagnosed. Stephen's mother Sarah was very concerned about the lack of awareness of the condition and became involved with the Alpha-1 Alliance, a charity formed in 1997 to support those suffering from the condition and their families, carers and friends. We are joined today by members of that group and affiliated organisations, as well as Professor David Parr, who is head of medicine and clinical director for cardiothoracic services and a consultant respiratory physician at University Hospitals Coventry and Warwickshire.

Both Sarah and Stephen, who suffers from alpha-1, have told me that they found the support from the Alpha-1 Alliance and the alpha-1 support group invaluable. When I met them back in 2012, they asked me to get more involved, learn and understand more about the condition, and do what I might as their Member of Parliament to raise awareness here in Westminster. To that end, I raised the condition with the Leader of the House in business questions in December 2012; I understand that was the first time that the condition

alpha-1 had been mentioned in the House. We then arranged a seminar and a report was brought to Parliament, and there I met Professor Parr, whose hospital, UHCW, happens to serve the residents of my Rugby constituency.

At that time, there was a sense that the work of the Alpha-1 Alliance was gaining traction and starting to raise awareness. We had a meeting with the then Secretary of State, my right hon. Friend the Member for South West Surrey (Mr Hunt), and Karen North and Margaret Millar of the alpha-1 support group came along to explain a little about the condition and how the treatment for it could be improved.

Testing for this condition is a relatively straightforward process, requiring a simple blood test. Many organisations, including the World Health Organisation, have made recommendations on who should be tested for the condition, such as anyone who suffers from emphysema, COPD or chronic bronchitis; people with a family history of liver disease; and certainly blood relatives of a person diagnosed with alpha-1. Perhaps also newborns and children with unexplained liver diseases should be considered as potential sufferers from alpha-1.

**Tonia Antoniazzi** (Gower) (Lab): I welcome today's debate, as I also have a constituent, Tina Walker, who has alpha-1. She travels from Swansea to the clinic in Coventry twice a year. Last night, I also had an email from an ex-pupil who I used to teach in Wigan, whose daughter—she must be just a small child—also has the condition. I feel strongly that we parliamentarians should be working together. Does the hon. Gentleman agree that it would be wise of us to urge the Government to run a UK-wide campaign to raise awareness? As he says, this involves just a simple blood test.

**Mark Pawsey:** Part and parcel of our efforts today is to achieve precisely that. I am delighted that the hon. Lady's constituent comes to Coventry and is being treated by the excellent services at University Hospitals Coventry and Warwickshire.

Unfortunately, alpha-1 is not yet curable, and no specific treatment for the disease is freely available in the UK; it is a matter of treating only the symptoms with the appropriate therapeutic methods. The hon. Member for Strangford (Jim Shannon) referred to intravenous AAT protein augmentation therapy, which involves replacing the missing AAT protein. That treatment is available in the United States, Spain, Germany and Italy, for example, but it is not yet available in the UK.

The National Institute for Health and Care Excellence—the Government body that produces guidelines on which treatments to make available—only last month published draft guidelines that rejected the use of the only licensed augmentation therapy product in the UK, Respreeza. It has had a UK licence since 2015, but was unfortunately deemed by NICE to be too expensive to be made available on the NHS. We acknowledge that it is expensive; lifelong therapy costs around £60,000 per patient per year. NICE continues to evaluate that and will make its final recommendations next year. The entire alpha-1 community has been heavily involved in pressing the case for patients across the country to be prescribed the treatment.

Only the symptoms of alpha-1 sufferers are treated, often by inhaled medications developed for people suffering from asthma and COPD, rather than specific treatments for the lung damage caused by alpha-1. The other issue

is that those who suffer from alpha-1 become susceptible to chest infections, which was certainly the case for Stephen Leadbetter, and it is vital that they are treated quickly with antibiotics at the first sign of infection and are vaccinated every year against flu.

**Matt Western** (Warwick and Leamington) (Lab): I congratulate the hon. Gentleman on securing this important debate, and I commend the work of the alpha-1 patient community in pressing for it as well. Does he share my frustration that the highly specialised NHS alpha-1 service has been approved and budgeted for and was due to be put in place earlier this year, but may not actually be installed by next year?

**Mark Pawsey:** That is certainly a frustration for the many patients who suffer. I hope that the Minister will address progress towards the outcome that we would all like to see.

There are changes that patients can make to their lifestyle to help to manage the condition, including specific exercise programmes and altering their diets. It is also important for them to avoid being around second-hand smoke and other environmental pollutants, such as open fires, petrol fumes, paint, solvents and dust, and that they avoid coming into contact with anyone suffering from a cold or the flu. However, that is often not enough. There is a need for Government action. We would like the Government to look at the prescribed specialised services advisory group's recommendations and address the specific recommendation for a national, highly specialised service for patients with severe alpha-1.

A Department of Health and Social Care paper sets it out that that service, referred to by the hon. Member for Warwick and Leamington (Matt Western), should be operational by April 2019, which is only six months away. However, I understand that the formal development of the service has not yet commenced, and that it is highly unlikely that it will be operational by the original deadline.

The need for progress on the service forms one of the two principal objectives of the alpha-1 patient community, and I look forward to the Minister's commenting on that. The second particular ask is to ensure that alpha-1 antitrypsin augmentation therapy—access to Respreeza, the only licensed treatment—will be available. I hope that the Minister responds positively to that.

It is the view of the alpha-1 patient community that the Government should focus on five key areas. The first is that that highly specialised service should become operational in a timely fashion. Secondly, patients should be involved at all stages in the development and implementation of the service to ensure that the patient voice is fully heard and taken into consideration. Thirdly, we are calling for a review of the impact of the NICE highly specialised technologies guidelines on patient access to rare disease treatments.

Fourthly, we are looking to apply a broader decision framework to the NICE process of evaluating the value of rare disease treatments, looking particularly at the social and societal benefits that impact patients and carers. Finally, we ask the Government to consider the appropriateness of introducing a more formalised process of conditional approval of rare disease treatments in England, such as alpha-1 augmentation therapy, as is being implemented in Scotland.

I shall conclude by referring to an email I received from a patient only yesterday that sets out her concerns with alpha-1 and its misdiagnosis. The sufferer emailed me to say that her mother died from antitrypsin deficiency, and that she now has the lung version of the disease. She is 48-years-old, and two years ago was a runner, but can now barely run for a bus or climb stairs. Her lung function has dropped dramatically in just one year. She is an ex-smoker and acknowledges the harm that smoking caused with respect to the condition. Had she been diagnosed earlier, she would have been able to make better lifestyle choices. The bit that got me was when she said that the deficiency for those who are symptomatic progresses at a very fast rate, and that, for many, it will end in gasping for breath for a long, drawn-out period, until such time as their lungs stop functioning completely. She says it feels like being eaten alive.

If the Government can work towards the two principal objectives and five key recommendations of the alpha-1 patient community, there will be a huge benefit to a significant group of people. It is our hope that the present and future needs of patients suffering this rare condition may finally be met.

**Mr Philip Hollobone (in the Chair):** The debate can last until 4.30 pm.

4.17 pm

**The Lord Commissioner of Her Majesty's Treasury (Nigel Adams):** It is always a pleasure to serve under your chairmanship, Mr Hollobone. I start by congratulating my hon. Friend the Member for Rugby (Mark Pawsey) on securing this important debate on the need to raise awareness of alpha-1 antitrypsin deficiency disease. I was unaware of the condition until I heard about the debate, and it has been enlightening to learn about it and the number of people it affects in this country. He set out, with great clarity and passion, the concerns of alpha-1 patients across the country.

With up to 8,000 rare diseases identified so far—a number that steadily grows as our diagnostic tools improve—the Government remain dedicated to improving the lives of all those living with a rare condition and to implementing the 51 commitments of the UK strategy for rare diseases, which was reinforced in the Prime Minister's speech in June, in which she set out her future vision. That vision will be underpinned by increased funding for the NHS, so that the UK can lead the world in the use of data and technology to prevent, and not just treat, illness; to diagnose conditions before symptoms occur; and, importantly, to deliver personalised treatment informed not only by a general understanding of disease but by our own data, including our own genetic make-ups.

As we have heard from hon. Members, people with alpha-1 have low levels of the protective enzyme alpha-1-proteinase inhibitor. That means that they are more vulnerable to body tissue damage from infections and environmental toxins—tobacco smoke, in particular. As my hon. Friend the Member for Rugby said, there is no cure for alpha-1, and treatment is focused on alleviating the symptoms.

My hon. Friend referred to the ongoing highly specialised technology evaluation by NICE of the drug Respreeza. That is a type of therapy called replacement therapy. It aims to boost the levels of alpha-1 antitrypsin in the

[*Nigel Adams*]

blood. As those in the Chamber will know, NICE is an independent body and its highly specialised technologies evaluation committee makes recommendations on the use of new and existing highly specialised medicines and treatments within the NHS in England.

I am confident that NICE has in place a robust framework for evaluating technologies for rare diseases. As was said, it has not yet published its final guidance on the use of Respreeza for treating emphysema in patients with alpha-1, but it recently consulted on its draft guidance. As we heard, NICE's evaluation committee is due to meet again to consider its recommendations in March 2019. That is to enable the company that makes Respreeza to prepare and submit additional information for the committee to consider. I am assured that, in developing its final recommendations, NICE will take fully into account all the comments that it received in response to the consultation, along with any additional information provided by the company. We look forward to hearing NICE's recommendations after consideration has concluded.

As my hon. Friend and the hon. Member for Warwick and Leamington (Matt Western) mentioned, Ministers agreed with the advice of the prescribed specialised services advisory group that services for people diagnosed with alpha-1 should be nationally commissioned by NHS England and not by clinical commissioning groups. May I reassure my hon. Friend and the hon. Gentleman that NHS England is engaging with NICE on the HST evaluation of Respreeza? Once final guidance is received, following the evaluation committee's meeting scheduled for March next year, NHS England will consider the commissioning implications in consultation with the specialised respiratory clinical reference group.

Should Respreeza be recommended by NICE, it would be for NHS England to make funding available within 90 calendar days of the positive evaluation. Should that be the case, NHS England would want to be assured that the centres initiating the treatment had the appropriate expertise and resources in place. NHS England is committed to involving patients in the development of new services, and routinely does so in line with the specialised commissioning framework, and with dedicated working groups that inform service specification and have patient representation.

As my hon. Friend said, alpha-1 is often undiagnosed or misdiagnosed. It is sometimes diagnosed late, as in the case of his constituent, Mr Leadbetter. More can be done to diagnose rare conditions earlier. Whole genome sequencing is increasingly utilised as a diagnostic tool for rare diseases in individuals with unrecognised signs and symptoms. I am pleased to report that about 25% of rare disease patients who have their genome sequenced through the 100,000 Genomes Project now receive a diagnosis for the first time.

The genomic medicine service was launched by my right hon. Friend the Secretary of State for Health and Social Care on 2 October 2018, making the UK the first in the world to integrate genomic technologies, including whole genome sequencing, into routine clinical care. The first national genomic test directory also became operational from October this year. It specifies which genomic tests are commissioned by the NHS in England, the technology by which they are available and the

patients who will be eligible to access them. Alpha-1 is included in the new directory, which will be kept up to date on an annual basis to keep pace with scientific and technological advances.

Let me refer to one or two of the comments from hon. Members. The hon. Member for Strangford (Jim Shannon) talked about the prevention of disease and clinical trials having taken place. Improving the lives of people with alpha-1 through research is critical. We support continued research into rare diseases through the National Institute for Health Research. That has established 20 biomedical research centres that develop new treatments for patients with a range of rare diseases.

The hon. Member for Gower (Tonia Antoniazzi) referred to a UK-wide campaign to raise awareness of this condition. I fully agree with her and support the notion that we should always be working together to raise awareness of alpha-1. Many of our initiatives are aimed at raising awareness of rare diseases among healthcare professionals and the general public; it must be extremely difficult for a GP to have knowledge of, spot the symptoms of, and recognise up to 8,000 rare diseases. Health Education England and Genomics England have produced a range of educational materials about rare diseases aimed at those very people—healthcare professionals, including GPs, as the first point of contact in the NHS. Information about rare diseases is also provided for patients and their families.

Let me refer to some of the remarks made by my hon. Friend the Member for Rugby. He talked about allowing patients to be closely involved at all stages of the development and implementation of the service that we are discussing. NHS England routinely involves patients in the development of new services, in line with the specialised commissioning framework, and there are dedicated working groups that inform service specification development. My hon. Friend talked about a review to reflect the impact that the changes to the NICE HST guidelines have had on patient access. NICE's methods and processes for assessing drugs have been carefully developed over time and are internationally respected. It continues to keep its procedures under review. That includes extensive engagement with patient groups.

**Mark Pawsey:** I want to press the Minister on the availability of the specialised service, on the assumption that use of Respreeza will be approved by NICE. We are running a little behind. Does he think that the service, which was intended to be available by 2019, might be available by 2020? Is there hope for sufferers that that service might be available to them?

**Nigel Adams:** It is absolutely a matter for NICE to make its recommendations, but I think that, if this was approved, we could have a situation in which it could be available by at least April 2020. I hope that that is some encouraging news for my hon. Friend.

I probably need to wrap up the debate, but my hon. Friend also talked about the Government considering the appropriateness of introducing a more formal process of conditional approval for rare disease treatments such as alpha-1 augmentation therapy. The Department has no plans currently to establish a new assessment process for the evaluation of rare disease treatments. NICE's methods and processes for developing its recommendations have been developed over the past 20 years through extensive engagement with interested parties.

Finally, let me assure my hon. Friend and all other hon. Members who have taken part in the debate that the Government are dedicated to improving the lives of all patients with rare diseases such as alpha-1. The publication of the UK strategy for rare diseases in 2013 was a significant milestone in that respect, and the strategy is now being implemented across the UK. The strategy set out our strategic vision and contains 51 commitments concentrating on raising awareness, providing better diagnosis and patient care, and ensuring a strong emphasis on the importance of research in our quest better to understand and treat rare diseases. Research is at the heart of better treatment and, we hope, prevention. That is why in 2017 the NIHR BioResource for Translational Research in Common and Rare Diseases was launched, supported by £36.5 million of NIHR funding.

I thank those who have come to listen to the debate, and I thank my hon. Friend the Member for Rugby and everyone present for contributing to it and for highlighting and discussing these issues. For their constituents and for all those who suffer from alpha-1 or any rare disease, I hope that I have helped in some way to assure them that the Government and the NHS are working hard to tackle these conditions and to help improve the lives of, and treatment pathways for, all patients.

*Question put and agreed to.*

## Shale Gas Development

**Mr Philip Hollobone (in the Chair):** Before I call Mark Menzies to move the motion, I say to all hon. Members that the debate will last only one hour and will finish at 5.30 pm. There are lots of hon. Members in the Chamber, and I am sure that many wish to make contributions. I am keen for everyone to have their say, but I warn hon. Members that the time limit for speeches is likely to be extremely short. As a sign of courtesy from one hon. Member to another, I strongly encourage those who are seeking to make a speech to resist making an intervention as well. In this debate, it simply will not be fair to have two bites of the cherry.

4.30 pm

**Mark Menzies (Fylde) (Con):** I beg to move,

That this House has considered local involvement in shale gas development.

Thank you for your guidance at the start of this well-attended debate, Mr Hollobone. Many right hon. and hon. Members have been emailed by constituents asking them to come along and support Mark Menzies in his debate. If it is any consolation, I, too, have been emailed by constituents asking me to come along and support Mark Menzies in his debate. I assure those constituents that I am supporting Mark Menzies in his debate.

Throughout my time as a Member of Parliament, I have lived with shale gas. I have seen several sites in my constituency developed, and some have been developed and abandoned. I could talk about that for some time. When I was elected in 2010, it came as a surprise that in 2008 the previous Labour Government had awarded a shale gas exploration licence for the area that covers my constituency and some of my neighbouring constituencies. At the time, it was not well known about and the level of awareness was quite low. The company did not even have a website, so finding out what was going on took some doing.

Since its introduction in the UK, shale gas extraction has become a contentious issue. Individuals on both sides offer passionate arguments, as I have witnessed throughout my tenure as a Member of Parliament. My contribution today will largely focus on the proposed planning changes that have been out for consultation.

**John Howell (Henley) (Con):** I will be quick. Does my hon. Friend think that shale gas extraction is worth while? Are there enough layers of schist in this country, as opposed to the vast expanses of the European plain, to make it profitable or to get enough gas out of it?

**Mark Menzies:** The companies concerned argue that there are substantial reserves of shale gas. The issue, and the difference between the United Kingdom and large swathes of America, is population density. We are not Dakota or rural Pennsylvania, where people can travel for hundreds of miles without seeing a farmhouse.

**Alec Shelbrooke (Elmet and Rothwell) (Con):** My hon. Friend makes an important point. It is about not just population density, but unique areas. In my constituency, the villages of Allerton Bywater and Great Preston have many unmapped mine shafts. Looking at

[Alec Shelbrooke]

what is happening in Lancashire with seismic movement, there is a real concern with the exploratory licence that has been granted that, in areas with unmapped mine shafts, seismic movement will cause collapses and sinkholes at the top. Decisions at the local level are, therefore, more important in this kind of planning application.

**Mark Menzies:** My hon. Friend's point is well made.

**Sir Greg Knight** (East Yorkshire) (Con): Will my hon. Friend give way?

**Mark Menzies:** Let me make some progress and I will take some more interventions.

As the Minister is aware, the Department recently held a consultation on the proposals to bring applications for non-hydraulic fracturing sites under permitted development rights. In addition, the Department for Business, Energy and Industrial Strategy simultaneously held a consultation on proposals to bring the production phase of a site under the nationally significant infrastructure projects—NSIP—scheme.

I recognise the issues surrounding the development of shale gas sites. The Government's concern that it takes local mineral rights authorities far too long to consider planning applications carries some legitimacy. It originally took Lancashire County Council 12 months to consider each of the applications in my constituency. It was a further 15 months after appeal before a decision was made on Preston New Road. Four years on, no decision has been made on the Roseacre Wood site.

**Julie Cooper** (Burnley) (Lab): I am grateful to the hon. Gentleman for securing this important debate. Would he comment on the fact that Lancashire County Council voted against the planning application, but that was overruled by the Government?

**Mark Menzies:** I will touch on that further. The situation in Lancashire, particularly with Preston New Road, was slightly more nuanced than that. Officers recommended approval but councillors voted against. The issue is that we are kidding ourselves if we think that those decisions are being taken locally. Overwhelmingly, they are not. They end up being called in by the Planning Inspectorate, and for some of these sites, there is more than one planning inquiry that runs on at enormous expense and is incredibly complicated. The decision is then taken out of local people's hands. The situation at the moment is fully flawed.

**Matt Western** (Warwick and Leamington) (Lab): I thank the hon. Gentleman for securing the debate. That is the very heart of it. We have heard evidence in the Housing, Communities and Local Government Committee about the arguments for addressing that, picking it up as a piece of national infrastructure and treating it the same, but are we not denuding our local democracy in that process? We try to respect our democracy here, and it is so important, particularly in the current climate, that people are heard locally.

**Mark Menzies:** The hon. Gentleman is absolutely right.

**Sir Greg Knight:** My hon. Friend is being very generous. Is he aware of the recent comments of the Under-Secretary of State for Digital, Culture, Media and Sport, my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch), who said that we need

“‘people power’ more than ever”

and that the Government's civil society strategy will put communities at the centre of decision making? If the Government were being consistent, should local communities not have more say in fracking matters, and not have their voices taken away?

**Mark Menzies:** My right hon. Friend makes a valid point.

**Several hon. Members** *rose*—

**Mark Menzies:** I will try to make some progress, but I shall also try to be generous in taking interventions.

It cannot be the case that decisions that were taking so long are now simply being sped up by the Government's introduction of applications under permitted development rights. When we are talking about exploration sites, it can sound a bit innocent, but the scale of an exploration site is something to behold.

**Kevin Hollinrake** (Thirsk and Malton) (Con): My hon. Friend mentioned rural Pennsylvania, where I went to look at this issue in 2015. I came back with the distinct impression that it can be done in a way that is sensitive to the countryside, but it needs careful planning. North Yorkshire County Council developed a plan that restricts proliferation and density, but the concern with NSIP and permitted development is that they will ride a coach and horses through those restrictions. We need to restrict the development of shale as it is rolled out.

**Mark Menzies:** Like me, my hon. Friend has experience of dealing with the issue in his constituency.

**Several hon. Members** *rose*—

**Mark Menzies:** I will give way to the hon. Member for Blackpool South (Gordon Marsden).

**Gordon Marsden** (Blackpool South) (Lab): I have an interest as the hon. Gentleman's constituency neighbour—he has the end of Preston New Road and I have the beginning of it. He just referred to Roseacre Wood, which is a planning issue and not about the broader issues. As I am sure he has heard, purely and simply on the basis of what happened with Preston New Road on traffic planning, local residents' concern about the position that Lancashire County Council took on that basis, and about planning terms, is considerable. Is it not regrettable, therefore, that as far as I am aware, no Minister—let alone the Minister for Energy and Clean Growth, who responded to the previous debate, and who we are now told by *The Guardian* has been going round talking to companies about how they should be fracking advocates around the world—has taken the trouble to come to Lancashire and see what is going on?

**Mark Menzies:** The hon. Gentleman makes an incredibly valid point and I will return in some more detail to the issues of Preston New Road and traffic in a few moments.

**Several hon. Members** *rose*—

**Mark Menzies:** I do want to make some progress; I am three quarters of the way down the first page of my speech and I have been very generous in giving way.

Along with many colleagues here today, I have made submissions to both consultations, making clear my constituents' opposition to the proposals, which is a position that is echoed whenever I speak to colleagues from across the House.

I have called this debate to discuss the issue further, as well as to raise the general matter of local involvement in major decisions such as the approval of shale gas sites. Under permitted development, proposals for shale gas exploration are subject to the requirements of the Town and Country Planning Act 1990, which is administered by the mineral rights authority for the area in which the proposed development will be located. The decisions that are taken are based on the national planning policy framework and include consideration of the operational impacts of the site, traffic management concerns, visual impact and the effect on nearby heritage features, among many other factors. If we were to move to a system whereby proposals for non-hydraulic fracturing shale exploration developments were decided under permitted development rights, that would no longer be the case.

**Simon Hoare** (North Dorset) (Con): I am very grateful to my hon. Friend for giving way. I declare myself as a fracking sceptic, if not an opponent. Does he agree that trying to change the planning regime now, with the heritage that we already have on this issue, does not in my book pass what I would describe as “the sniff test”? It does not quite have legitimacy. It seems a sleight of hand and should be resisted.

**Mark Menzies:** I could not improve on what my hon. Friend has just said.

**Several hon. Members** *rose*—

**Mark Menzies:** I will give way in one moment, but I will just make some more progress on permitted development.

As we know, permitted development rights are most commonly used to simplify and speed up minor planning processes around such issues as small property extensions or the change of use of property. Indeed, I was a Parliamentary Private Secretary in the Department for Communities and Local Government, as it was then, at a time when we looked to relax permitted development rights on home extensions and conservatories, and even then the Department had to row back from its original proposals because even with changes on that scale, particularly in urban areas, the impact was there for all to see.

What permitted development rights are not suitable for are new and substantial developments, especially those that have significant and ongoing operational activities associated with them. As the Minister knows, I have extensive knowledge of shale gas development, with the first horizontal wells in the UK within my constituency. These are not small or straightforward developments by any means. They are major industrial sites that require the construction of substantial

infrastructure to set up and countless vehicle movements to operate. Indeed, if you will indulge me, Mr Hollobone, I will go through some examples.

I will take the site on Preston New Road first. We have got thousands of tonnes of hardcore piled on top of double-layered polyurethane membranes; big trenches dug around a site that is up to 2 hectares; a 30-metre drilling rig; a 2-metre high perimeter fence; 4.8-metre high bunding and fencing; several cabins that are 3 metres in height; acoustic screening of 5 metres in height; a lighting rig of 9 metres in height; a 2.9-metre high-powered generator; two water tanks that are 3 metres in height; a 10-metre high emergency vent; an access road off a busy main road; and I could go on. Now, who on earth thinks that is equivalent to building a little extension on the side of your bungalow? It is not.

**Zac Goldsmith** (Richmond Park) (Con): I thank my hon. Friend for giving way and I am very grateful to him for initiating the debate. On that point, he has just described something that is hugely disruptive that we know is hugely unpopular. Does it not strike him as odd that we would subject that enterprise to permitted development, while at the same time making almost impossible the erection of new onshore wind turbines, which has been subjected almost entirely—rightly in my view—to local control? Does that not strike him as being inexplicably inconsistent and give the appearance of a policy that is driven more by ideology than anything else?

**Mark Menzies:** The inconsistencies in this process are there for all to see, and I really appeal to the Government to start approaching this issue in a sensible and consistent manner, whether we are talking about onshore wind or the shale gas sites that we are discussing today.

**Sir Kevin Barron** (Rother Valley) (Lab): Will the hon. Gentleman give way?

**Mark Menzies:** Let me just make some more progress and I will give way. [*Interruption.*] Permitted developments are certainly not appropriate for all locations.

Again, this is an issue that I have personal experience of. In addition to Cuadrilla Resources' site at Preston New Road, proposals were also received for a further site within my constituency, at Roseacre Wood. That application is currently with the Secretary of State for Housing, Communities and Local Government, so I appreciate that the Minister in the Chamber will be constrained in what he can say with regard to that site today. However, following its refusal by the local mineral rights authority and the decision going to a planning inquiry, it was then further turned down. But under permitted development that site would have been allowed to go ahead, even though one of the reasons it was turned down is that it is in an area with very narrow roads. No matter how many times the company tried to cut and recut the traffic management plan to get it through a planning inspector, it could not stand up to any form of scrutiny. I myself have gone with local people down those roads. In one case, they even hired an HGV of a similar size to those that would be taking product to and from the proposed site, and we could see

[Mark Menzies]

that it was downright dangerous. The road was simply not designed to take either that size of vehicle or that volume of traffic.

**Sir Kevin Barron:** The hon. Gentleman is quite right about the inconsistency in all this. Is he aware that the Government have put out a press release today, saying:

“Shale gas developers could be required to consult local communities, even before submitting a planning application, following the launch of the latest government consultation”?

This is the most inconsistent, confusing thing that I have seen in all my 35 years in Parliament. The Government clearly do not know what is going on with it. They would be much better withdrawing all of this and sitting down with experts to talk about the issues around fracking and how they will affect constituencies such as mine, but it is quite clear that they are all over the place when it comes to consulting on this industrial process.

**Mark Menzies:** I thank the right hon. Gentleman for his intervention.

These concerns hold such significance for local people with local knowledge—these are not nimbys. They are people who approach the issue in a very level-headed way, but they know that some of these sites are clearly not suitable. Under permitted development rights, however, developers can rock up, develop sites in the way that I have outlined, and people will feel done to. Even if a site was considered to be suitable, there is not the level of scrutiny involved to consider operational matters, traffic management plans and matters that could perhaps alleviate some of the visual impacts. Those would all be mitigating factors under a normal planning process, but that process is not what is being put on the table under this consultation and it is one of the reasons why I strongly oppose it.

**Damien Moore (Southport) (Con):** I thank my hon. Friend for giving way. Does he agree that these concerns are being expressed by very ordinary general people? They are not organised protesters. They are people who live in these communities and they are fearful that their rural communities will become industrial.

**Mark Menzies:** My hon. Friend is absolutely right. In recent years, the Government have put protections into areas of outstanding natural beauty. So, if the Government recognise that these developments are not acceptable for AONBs, what about the rest of the countryside? On the point about consistency, it is very important that we approach this issue in a sensible, constructive, well-planned way, and moving to permitted development is nothing short of irresponsible and downright bonkers.

**Rachael Maskell (York Central) (Lab/Co-op):** I am grateful to the hon. Gentleman for giving way. When local authorities have developed policy based on their analysis of the impact that fracking will have, surely their voice counts, particularly when it is backed up by the voices of local people overwhelmingly saying that this activity will be a disaster for their local community?

**Mark Menzies:** The hon. Lady is absolutely right. My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) referred to some planning experiences

that arose while working with North Yorkshire County Council in Kirby Misperton. The second consultation was about bringing shale gas production sites into the NSIP regime, and I can see some of the benefits of that. One important aspect is getting consistency in decisions that are taken across the country. For example, in Kirby Misperton, there was a sensible addition: 400 metres, or half a mile, was added between the shale gas exploration site and residential properties. No such conditions were placed on either of the sites at Preston New Road, or on the application at Roseacre Wood. When planning inspectors are making those decisions—and they are different planning inspectors all the time—and those decisions are going up to the Secretary of State, inconsistent decisions are being made time after time.

Taking permitted development off the table—it is an absolutely crackers idea—I ask the Minister to look into how we can move to a planning regime where there is consistency, and where we avoid some of the decisions that go against local communities and that ignore traffic issues, population density, and the proximity of residential houses. I ask him to look at how we can come up with a workable framework. For example, there are no rules—

**Mr Philip Hollobone (in the Chair):** Order. I am hugely enjoying the hon. Gentleman’s speech, but the debate is only one hour long, and he has already had one third of the time. There are only 15 minutes of Back-Bench time remaining, and I have at least eight people seeking to speak, who are going to be speaking for under two minutes each. It is the hon. Gentleman’s debate, but he might want to think about bringing his remarks towards a close.

**Mark Menzies:** Mr Hollobone, your words are echoing in my ears. I will condense my remarks to allow other hon. Members in, but I have been very generous in taking interventions, as I hope you recognise. I will take one last intervention, and then make some progress.

**Lilian Greenwood (Nottingham South) (Lab):** I congratulate the hon. Gentleman on securing the debate, and on the powerful representations he is making on behalf of his community. Is he aware of the wider concern? The latest polling shows that just 18% of the public supports fracking. Many people are watching this debate, such as my constituent Etienne Stott—who is anything but ordinary—who asked me to attend the debate. He has said, “Can you tell the Minister that fracking is a terrible idea?” He does not want the Government to be able to bulldoze their misguided policy over local and global concerns. Does the hon. Gentleman understand why Mr Stott believes that?

**Mark Menzies:** I do indeed.

Mr Hollobone, let me plough on and bring my contribution to a conclusion. I ask the Minister to look at how consistency can be brought into the planning process. It is important that communities do not face years and years of uncertainty, and that we have consistency. It is also important that the industry knows where it stands. When that planning process is developed, it might well take lots of potential sites off the table altogether, so that the industry can stop wasting its time pursuing sites that, quite frankly, are not suitable.



Central Government's involvement in recent years has brought some benefits. We have seen much more regulation and understanding of the industry, and I commend the Government on the creation of the Oil and Gas Authority. Indeed, that was something that I called for, campaigned for and pushed on right from the outset. We need an organisation that recognises that shale gas is very different, and that can pull together the work of the Health and Safety Executive, the Environment Agency, mineral rights authorities, BEIS, and other organisations. We need to create a level of expertise within Government that can help ensure that, if this industry develops, it does so in a safe way.

One of the changes that came in was a traffic light system—red, amber and green—and we have seen seismic events triggered at Preston New Road in recent days. Four of those events have been classed as red events, and have led to a cessation in activity. I put it to the Minister that for six years, the industry was not approaching me or anyone else to say that the threshold was far too low, but we now hear calls that a seismic event should need to be a 1.5 or a 2 to trigger a red event. I am sorry, but that ship has sailed. The industry had six years to make the case for that, and no case was made.

Bearing in mind your advice to allow other Members in, Mr Hollobone, I will conclude, because I know that many other people wish to speak in this important debate.

**Mr Philip Hollobone (in the Chair):** The debate can last until 5.30. I am obliged to call the first of the Front-Bench spokespeople at seven minutes past 5 for a five-minute contribution, then a five-minute contribution from Her Majesty's Opposition, and then a 10-minute contribution from the Minister. Mr Menzies will have three minutes at the end to sum up the debate. Eight Members are seeking to contribute, and we have 10 minutes left, so Members basically have one minute and 30 seconds each.

4.56 pm

**Karen Lee (Lincoln) (Lab):** It is a pleasure to serve under your chairmanship, Mr Hollobone. I will go on for as long as I can.

The Government's proposals to fast track fracking are a shameful clampdown on local democracy and disregard the autonomy of residents and communities. Under the Government's proposals, councils and residents will be deprived of a say on incredibly disruptive work being forced on their area. Communities have already been sidelined in the Government's reckless pursuit of fracking. In my county of Lincolnshire, which is one of the areas most threatened by long-term fracking, £53 million of Lincolnshire County Council's pension fund is invested in companies associated with shale gas development. The relationship between shale gas industries and Government officials at national and local levels threatens our democracy and our environment, and it must end.

Rather than imposing an unpopular and dangerous method of extraction on communities, the Government should follow Labour's lead and commit to banning fracking outright, because shale gas is completely incompatible with this country's climate commitments. The majority of fossil fuels will need to remain in the ground if we are to have even a chance of avoiding

catastrophic temperature rises, and as a 2015 Government report found, fracking poses a uniquely damaging threat to our environment, including air pollution, water waste and earth tremors. At a time when we urgently need to transition to a green economy, the Government must abandon their senseless commitment to fracking, and stop their undemocratic assault on the power of communities and on local authorities.

4.57 pm

**Lee Rowley (North East Derbyshire) (Con):** It is a pleasure to serve under your chairmanship, Mr Hollobone. My interest in this topic stems from the village of Marsh Lane in my constituency—a village of fewer than 1,000 people, who have been impacted by an application for exploratory drilling since the end of 2016. I started without any fixed view on fracking, but I stand here today to say that the proposal on permitted development and the proposal on NSIP are ludicrous and need to be stopped, and that fracking will not work in this country.

I am simply not clear from the consultation that has run over the summer about what the problem is, what we are trying to achieve, and how we will achieve it. Speaking as chair of the all-party parliamentary group on the impact of shale gas, I can say that we have heard from a significant number of people that it will be technically extremely difficult, if not impossible, to confuse the planning process in the way the Government are proposing. I urge them to withdraw the proposal immediately, as did the right hon. Member for Rother Valley (Sir Kevin Barron)—he is a friend in this regard.

I am also unclear about what, as a country, we are seeking to achieve through fracking in general. The Government have not outlined any serious objectives beyond energy security, jobs and growth, and ultimately, price reductions. They have not made clear how any of those objectives can be achieved, and none of them can be achieved unless fracking is done at a scale that requires thousands of well pads, with a well pad in every village like Marsh Lane. People will not stand for it, and the proposal needs to be stopped.

4.59 pm

**Sammy Wilson (East Antrim) (DUP):** My interest in this issue is that two thirds of our energy is produced from gas at present. Some 85% of households across the United Kingdom depend on gas for their heating and 65% depend on gas to cook their meals. Millions of jobs depend on having gas as an energy source, and we are increasingly dependent on imports. By 2030, 72% of our gas will have to be imported from places where we cannot guarantee supply or by routes where gas could be directed to other areas. With 50 years' supply of gas already proven to be lying underneath the land of our country, it seems strange that we do not look for ways of ensuring we have that energy supply available to us.

**Mike Amesbury (Weaver Vale) (Lab):** Will the right hon. Gentleman give way?

**Sammy Wilson:** I do not have time. I believe that the Government's proposals, such as for exploratory wells to fall under permitted development, are modest. If there is to be full exploitation, it has to go through the

[Sammy Wilson]

full planning process. There are already other regulatory agencies that will oversee even the exploratory well process. On that basis, and on behalf of the millions of consumers across the United Kingdom who rely on gas, I trust that the Government's sensible proposals will be adopted.

5 pm

**Alex Chalk** (Cheltenham) (Con): I congratulate my hon. Friend the Member for Fylde (Mark Menzies) on securing this debate. Let me be clear on two points: first, I am intensely sceptical about whether fracking is sensible at all, but secondly, I am very clear that the expansion of permitted development to circumvent the normal planning process is disproportionate and potentially counterproductive.

Environmentally, the starting point has to be that we should seek to keep fossil fuels in the ground. We have obligations under the Climate Change Act 2008. The only argument I have heard that gives some possible justification is the potential for fracking to be a bridging fuel so that we can phase out dirty coal as quickly as possible. The problem is that the science is as yet unproven. I will listen carefully to what the Minister has to say about whether that is a credible argument. The second and perhaps even more important point is that the principle must be that we should depart from the ordinary standards of consultation with local communities only in exceptional circumstances. That hurdle has not been jumped here.

The point has already been made about the inconsistency that exists. As someone who sat on a planning committee for a very long time, I know that the most serious applications ordinarily go through the local scrutiny procedure. There is no reason not to do so in these circumstances. I suggest that not to do so is dangerous and could be highly counterproductive.

5.2 pm

**Jared O'Mara** (Sheffield, Hallam) (Ind): Fracking is one of the No. 1 issues that my constituents email me about. That is why I am here speaking today. I receive more emails on it than on Brexit and the tree-felling programme in Sheffield, which is another environmental issue. One person said:

"I asked myself, 'would I let my family live in a community with fracking?' The answer is no. I therefore cannot recommend anyone else's family to live in such a community either."

That was not one of my constituents; that was Dr Howard Zucker, the commissioner of health for New York State. The New York State Department of Health concluded that fracking should be banned due to the significant public health risks. That led to a state-wide ban.

Some of the dangers that come with fracking include earthquakes, as we saw earlier this week with the 1.1 magnitude tremor at the Little Plumpton site in Lancashire. In Oklahoma, earthquakes rose from two a year to an average of two a day. One recent study has shown that in Pennsylvania, hospital admissions for cardiology and neurology are higher in counties with more fracking. A letter to the *British Medical Journal* earlier this year signed by Professor Hugh Montgomery, Dr Clare Gerada, Dr Sheila Adam and several other

health professionals called for fracking to be halted due to the health risks. Numerous studies have highlighted significant risks. For example, a study in December 2014 found that fracking operations use and create chemicals linked to birth defects.

**Mr Philip Hollobone (in the Chair):** Order. I am afraid more Members are standing, so the time limit is now one minute. I call Justin Madders.

**Jared O'Mara:** In that case, I will sum up. Those are just some reasons why my constituents—

**Mr Philip Hollobone (in the Chair):** Order. The hon. Gentleman has finished his contribution. I call Justin Madders.

5.4 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone. People from many different communities and, as we have seen today, from different political persuasions have been united by the proposals. In my area, Labour, Conservative and independent councillors have voted unanimously to oppose the Government's approach on fracking. We have an application in my area from IGas that has been rejected by the council and is going to review and appeal, but at least in that case there was a local process and local people had a say. The Government seem to have decided that in future, local people will have no voice at all.

Is there not real concern about the level of seismic events in Blackpool from just one well? Imagine how many events we would have if hundreds of wells were coming through that local people had no say about. Is that not a real concern? Local people should have an opportunity to have their concerns dealt with in a legitimate, open and transparent process. If we are truly going to take back control, that should mean a genuine democratic procedure, not a stitch-up that benefits private interests.

5.5 pm

**Tim Farron** (Westmorland and Lonsdale) (LD): Classifying fracking rigs under the banner of permitted development is a subversion of the planning process and therefore a subversion of local democracy. Permitted development was created for conservatories, small extensions and outhouses, none of which to the best of my knowledge have ever caused an earth tremor, yet we see fracking rigs potentially being given rights under permitted development, which is a cynical disgrace.

The subversion of the planning process works both ways, however. The proposed gas turbines at Old Hutton in my constituency are just a few hundred yards away from the local primary school. The development is just a fraction below the scale needed for national consideration. As we know, developers often do that to put pressure on a local planner, a local authority or local communities who might fear saying no because they cannot afford the cost of the appeal. When we are trying to tackle climate change and are on the cusp of catastrophic climate change, we need to ensure that all fossil fuels remain in the ground and back local authorities that oppose such things as the Old Hutton gas turbines and fracking.

5.6 pm

**Bill Esterson** (Sefton Central) (Lab): It was the test drilling in my constituency that first alerted me to the concerns of my constituents. There was test drilling going on in the constituency of my neighbour, my hon. Friend the Member for West Lancashire (Rosie Cooper), and in Formby. Many have written to me with their concerns about what goes on in the local environment and near their homes. They feel that they should have a voice and be involved in the decision making.

Sefton Council unanimously opposes fracking—there will be no fracking approved by it—but the Government have overruled. That is simply not acceptable. We need alternatives to fracking. The science is there and the climate change effects are there. Members on the Government Benches have to oppose their Government when they make cuts to renewable energy. There must be an alternative to fracking, and it has to be renewables and hydrogen. That is the way forward, not supporting fracking.

5.7 pm

**Mr Clive Betts** (Sheffield South East) (Lab): The Housing, Communities and Local Government Committee produced a report on 2 July where we opposed the permitted development approach and the nationally significant infrastructure project regime because we believed they would create more contention with local communities and give them less say. We opposed the NSIP regime because we had no evidence at all that it would expedite the process and also because it would destroy relationships between fracking applications and local plans, such as in North Yorkshire, where detailed guidance on fracking was put in the local plan. It would be completely redundant.

If the Minister looks at the two issues together, can he not see something fundamentally contradictory about the approach? It says at one stage of the planning process that fracking is so insignificant that permitted development should be allowed, but at the next stage it says that fracking is so important that it should be treated as a national infrastructure project. Surely the two are not compatible in the same sentence. Listen to Members of Parliament and allow councils to listen to their communities.

5.8 pm

**Jo Platt** (Leigh) (Lab/Co-op): I represent a coalfield constituency in Lancashire, and fracking is unfortunately a particular and common concern for residents. Six licences have been imposed on the people of Leigh, who have serious and legitimate concerns about the impact on their environment. Despite the sentiments we often hear from the Government, we have reason to be concerned. Earlier this year, we heard from Peter Styles, a former Government adviser, who found that fracking in former coalmining areas increases the probability of earthquakes on faults that have already been subject to movement through mining.

Given that vulnerability, I hope that the Minister will be able in his reply to detail the steps he is taking to protect our community and that he will accept the real anxiety that fracking has caused in our region, which has been left feeling singled out by the Government's

fracking regime. Ultimately, it is totally unacceptable to impose such a chaotic process on communities without giving them a say.

5.9 pm

**John Mc Nally** (Falkirk) (SNP): As always, it is a pleasure to serve under your chairmanship, Mr Hollobone. I have to declare a non-financial interest: I am involved with local groups in my area.

I congratulate the hon. Member for Fylde (Mark Menzies) on securing this timely, topical and extremely controversial debate. He always treats everything with a great sense of humour and great knowledge. He addressed the same problems that everybody brought up. Most Members agree that there is a huge problem, and recognised the confusion surrounding such developments. I particularly liked the point about local accidental activists becoming involved and becoming the voice for their communities. That is an essential point that we should all listen to.

I do not need to tell anyone that we in Scotland have some of the world's greatest renewable resources. It is estimated that Scotland has one quarter of the entire offshore wind energy potential of the whole of Europe, and there are the same incredible figures for tidal energy. Those elements, when harnessed, can be seen as a blessing. That gives Members an understanding of why there is overwhelming support for renewables in Scotland, and why 99% of respondents to the Scottish Government's consultation were diametrically opposed to fracking. That consultation received more than 60,000 responses in just four months. In my constituency and in the neighbouring constituency, Linlithgow and East Falkirk, there has been a long-standing and vigorous opposition to fracking.

**Martyn Day** (Linlithgow and East Falkirk) (SNP): I am grateful to my hon. Friend for mentioning both our constituencies, which have a very long history with the shale industry, going back to the 1850s, with many communities built on the areas where there are deposits. There is clearly no support for fracking in our areas. Would it not be advisable for the UK Government to follow the lead of the Scottish Government and place a moratorium on all fracking?

**John Mc Nally**: I totally agree. My hon. Friend and I have attended various meetings and screenings about the experiences of communities across the world caused by fracking. In February this year, the Dutch Government announced the end of gas exploration in the Netherlands. Companies have been given four years to end the extraction process. That decision followed a five-year moratorium on further development after Government-funded studies, importantly, revealed that drilling for gas in the natural gas fields had led to double the number of earthquakes.

**Mike Amesbury**: Will the hon. Gentleman give way?

**John Mc Nally**: I do not have time.

There was widespread property damage there and damage to flood defences. Residents have the right to sue the Government and gas field operators for damages. As of July 2017, there have been 80,000 damage claims totalling €1.2 billion.

[John Mc Nally]

Turning to a local debate, according to a recent article in *The Blackpool Gazette*, more than 30 earthquakes have been recorded in the last couple of weeks. Alarm bells should be ringing. Operations should be ceased, according to the local county council's Labour group, which says that self-regulation is not working. I totally agree. Natascha Engel, the Government's shale gas commissioner, has said that our laws are stricter than anywhere else in the world. I would advise Natascha to speak to the Dutch Economics Minister Eric Wiebes, who said:

"Shale gas is not an option in the Netherlands any more... It is over and done with."

No law can be stricter than an outright ban.

Of the many events I attended in London and elsewhere before becoming an MP, I went to a screening of one film in particular that everybody should watch. It was called "The Bentley Effect" and was made by Stop Climate Chaos. The screening stands out in my mind. The film was shown to a packed hall in Falkirk Trinity Church and is about the experiences of communities in Australia. It is worth a look for anyone who has not seen it and who wants to see the impact on communities and how these things affect them immediately.

In Falkirk we were there at the very start of test drilling for fracking in Scotland. The people of Falkirk set up a properly constituted group, Concerned Communities of Falkirk, and have been running a campaign called Falkirk Against Unconventional Gas, setting out their objections in great detail. I mention that because I helped to draw up the community charter, expressing communities' rights and responsibilities in participating in planning processes that could affect community assets.

Communities have been asking many serious questions that could be, and are, affected by fracking. I have only two uncomplicated questions, to which I would like to hear the Minister's response. First, what would the Government do if house prices began to fall in the immediate area or the house market slowed down? Does the Minister have a plan to deal with that? Secondly, it is already known that insurance for farmers becomes unrealistic or can be denied. Can the Minister reassure farmers and growers that the Government will cover any loss of business due to perceived contamination of water to crops caused by fracking?

To conclude, the wishes of the Scottish people are being respected by the Scottish Government. The UK Government seem to have an obsession with fracking. Forget it!

5.14 pm

**Dr Roberta Blackman-Woods** (City of Durham) (Lab): It is a pleasure to serve under your chairmanship again, Mr Hollobone. I congratulate the hon. Member for Fylde (Mark Menzies) on securing the debate, which is obviously important and timely given the number of people in the Chamber.

Labour is totally opposed to fracking, and it will be interesting to see how the Minister, when he gets to his feet, defends the indefensible. The Government are becoming increasingly isolated on the topic. The following organisations have come out against fracking: Friends

of the Earth, the Campaign to Protect Rural England, the World Wide Fund for Nature, Greenpeace, the Woodland Trust and the Royal Society for the Protection of Birds. Senior scientists have also come out against fracking, and there is increasing medical evidence, particularly from the US, about the negative impact that it has on people's health.

**Rosie Cooper** (West Lancashire) (Lab): As a Lancashire MP I was horrified by the Government's decision to overturn Lancashire County Council's decision to refuse permission for fracking. It flies in the face of the Government's pretend localism agenda, and current attempts to meddle with the process do not pass the sniff test. My constituents oppose it. Perhaps the Tories should pinch another Labour policy and ban fracking.

**Dr Blackman-Woods**: I totally agree.

Despite the huge wealth of environmental, medical, geomorphological and other scientific evidence, the Government are ploughing ahead. Even the research of the Department for Business, Energy and Industrial Strategy shows that just 16% of people support fracking—the lowest figure since it started collecting data five years ago. Greenpeace has commented that public opinion on fracking is in free-fall.

**Gordon Marsden**: Does my hon. Friend agree that the Government cannot have it both ways? They say that they want a national regime, but when it comes to policing the drilling of fracking in Blackpool and the Fylde, they are refusing to pay the cost fully from Home Office resources, and are leaving it to Lancashire ratepayers.

**Dr Blackman-Woods**: My hon. Friend makes an important point.

BEIS concludes that all the scientific evidence pertaining to possible risks of damage to the natural environment, the risk of contamination to the water supply, and safety concerns about earthquakes are to be dismissed. Try telling that to the people of Lancashire. They have had 18 earthquakes recently, each one increasing in seismic magnitude. Interestingly, the Government are telling local people who oppose fracking that they just need help to understand the process. It is exactly because they do understand it that they are concerned. The Minister for Energy and Clean Growth has said that she pities

"any local councillor who gets an application on their desk, because they will shortly have a travelling circus of protestors to deal with".—[*Official Report*, 12 September 2018; Vol. 646, c. 333WH.]

Is that really how a Minister should respond to concerns of local people? I hope that the Minister today will distance himself from those comments.

I am not sure that the planning system should allow fracking at all, but I know that the permitted development system is not appropriate for dealing with the complexities of fracking, and neither is the nationally significant infrastructure project process. Both those aspects of the planning system totally ignore the voice of local people. Greenpeace has said that the fracking industry is pulling UK energy policy in entirely the wrong direction and that the public are right to be concerned, and I agree.

Many people in the Chamber might not know that the Ministry of Housing, Communities and Local Government today issued a further consultation document

on talking to people earlier in the planning process for fracking, as if that will stop them opposing it. I say to the Minister that that is just not going to cut it. The Government have to start listening to local people, change track and get planning policies that support renewables, not fracking.

5.18 pm

**The Minister for Housing (Kit Malthouse):** It is a pleasure, as always, to serve under your chairmanship, Mr Hollobone. I, too, thank my hon. Friend the Member for Fylde (Mark Menzies) for securing the debate. It is obvious that he and many Members have strong constituency interests in the topic and want to ensure, as I do, that local voices are heard as we consider the development of the shale gas industry in the UK.

**Chris Green (Bolton West) (Con):** Will the Minister give way?

**Kit Malthouse:** No, because I want to leave time at the end for my hon. Friend the Member for Fylde.

It is clear from my hon. Friend's speech that the recent consultations are important and have excited a strong reaction from his constituents, from him and from other hon. Members. I emphasise that no decision has been made whether to bring the proposals forward. The consultations have now closed: the Government are considering the representations made and will issue a response in due course.

The consultations are part of a range of measures to make planning decisions faster and fairer for all those affected by new shale gas development and ensure that local communities are fully involved in the planning decisions that affect them. Hon. Members will know that the Secretary of State has a quasi-judicial role in the planning system, so they will understand that it would not be appropriate for me to comment today on the detail of individual planning applications, on decisions on those applications, or on local plans. Hon. Members will also know that my remit as Housing Minister in relation to shale gas development is focused on planning policy and on delivering related manifesto commitments. However, given that many matters have been raised that are beyond my remit, I undertake to refer them to the appropriate Ministers, not least the Minister for Energy and Clean Growth.

**Sir Greg Knight:** Will the Minister give way?

**Kit Malthouse:** I am afraid that I do not have time.

My hon. Friend the Member for Fylde highlighted the importance of community engagement in the planning process. I reassure him that we remain fully committed to ensuring that local communities are fully involved in planning decisions that affect them, and to making planning decisions faster and fairer. Those are long-standing principles and I am adamant that we should stick to them. However, we understand that communities feel that they are often not consulted closely enough before planning applications are submitted to the local planning authority by developers. As my hon. Friend highlighted, that can lead to opposition to developments and a longer application process.

Engagement with communities at the pre-application stage gives local people a say earlier in the planning process and makes developers aware of issues of importance to the community that may need to be resolved. The planning system in the UK already provides an extensive legislative framework for community involvement, but I believe there is scope to do more. We have therefore published a consultation on whether applicants should be required to conduct a pre-application consultation with the local community prior to submitting a planning application for shale gas development. We believe that that could further strengthen the role that local people play in the process, and we are keen to hear the voices of industry and of communities. The consultation also seeks views on the process of community consultation that should be required and on the stages of shale gas development that should be covered. It closes on 7 January, and I urge everybody to contribute to it.

Let me move on to the potential changes to permitted development rights. Over the summer, we consulted on whether permitted development rights should be expanded to include shale gas exploration development, and on the circumstances in which those proposals might be appropriate. I make it clear that any potential permitted development right granted for shale gas exploration would not apply to hydraulic fracturing operations or to the production stage of shale gas extraction. I also emphasise that any permitted development right covers only the planning aspects of the development; it does not remove requirements under the regulatory regimes of the Environment Agency, the Health and Safety Executive and the Oil and Gas Authority.

It is important to note that all permitted development rights contain specific exemptions, conditions and restrictions to control and mitigate the impact of the development and protect local amenity. Any potential permitted development right for shale gas exploration would be no exception; for example, it could specify limits on the height of any structure, areas where a permitted development right would not apply, or noise and operation controls. The consultation has sought views on that issue.

In relation to the role that local communities and mineral planning authorities can play within the permitted development rights regime, our consultation also sought views on whether MPAs should be able to conduct a prior approval process to consider specific elements of a development before works can proceed. Such a process can include a requirement for public consultation. It would also enable local consideration of key matters.

There is currently no commercial production from any hydraulically fractured shale gas resources in the UK. However, we believe that it is vital to look ahead and understand how best to manage planning permissions for a future state in which shale gas is produced. We therefore also consulted over the summer on whether the production phase of shale gas developments should be brought within the nationally significant infrastructure projects, which many hon. Members have referred to. The consultation particularly sought to understand what the appropriate triggers and criteria could be for including production projects in the NSIP regime.

I emphasise that community engagement is fundamental to the NSIP regime's operation. Pre-application consultation with the local community and with local authorities is a statutory requirement. Developers are required to consult

[Kit Malthouse]

extensively before an application is submitted and considered, and where the consultation has not been carried out in line with the statutory requirements, the Planning Inspectorate can refuse to accept an application. Local authorities and communities also have the right to be involved during the examination of a project; they can set out their views in written representations, which will then be taken into account in decision making.

Both consultations ran for 14 weeks and closed on 25 October. The Government are analysing the representations made and will publish a response in due course. Should we take forward the proposals, we have committed to conducting further consultations on the detail of the proposed changes. No doubt this debate will provide valuable feedback into that process.

I thank my hon. Friend the Member for Fylde again for securing this valuable debate. We remain fully committed to ensuring that local communities are properly involved in planning decisions that affect them, and to making planning decisions faster and fairer. As part of that, as I said, we have launched a further consultation today on whether applicants should be required to conduct pre-application consultation with the local community. We have also delivered on our manifesto promises to consult on how best to develop our planning processes for exploration and production of shale gas development while ensuring that communities remain fully involved. We are considering the responses from the consultations and will respond in due course.

5.25 pm

**Mark Menzies:** I thank the Minister and the Opposition spokesperson, the hon. Member for City of Durham (Dr Blackman-Woods), for the way in which they have approached the debate. To me, the most important thing is making sure that local people's voices are heard. It is also important that we have a planning system that works. At the moment, there is a concern that local voices may not be heard.

**Rosie Cooper:** Is the hon. Gentleman confident that more consultation will produce anything? When the consultation took place in Lancashire, local people, communities and elected representatives were ignored and the Minister overturned the decision.

**Mark Menzies:** Let us not prejudge the outcome of the consultation. Let us hope that the Minister and the Government have listened to the concerns expressed by hon. Members on both sides of the House, and let us see what comes out of the consultation.

**Stephanie Peacock (Barnsley East) (Lab):** Will the hon. Gentleman give way?

**Mark Menzies:** Not at the moment; I am very conscious that I took a lot of interventions earlier, and I want to draw my speech to a close.

It is very important that we have a shale gas planning system that is functional, that works, that allows people to know where they stand, and that is not full of the

kind of inconsistencies that we are currently seeing. I do not believe that having application after application determined by the Planning Inspectorate is the route forward. The planning system is far from perfect; in some cases it is causing extreme distress to local communities such as Roseacre Wood, which still has a decision hanging over it after more than four years.

I want a planning system that takes account of wider issues such as traffic management plans and proliferation, so that we do not get a high density of well pads popping up across an area. I want a planning system that recognises, as has happened in Kirby Misperton, that a limit has to be set with respect to residential properties. We need to put such restrictions on the industry because there are swathes of the country that may well contain shale gas but that are not appropriate for developing it.

I promise the Minister that I will continue to work constructively with the Government, as I have over the past eight years, to make sure that the voices of local people are heard and that decisions are taken in a positive and sensible way. In that light, I have to tell him that moving to permitted development sits so uncomfortably. It jars with everything that I believe in and hope the Government believe in.

**Chris Green:** Will my hon. Friend give way?

**Mark Menzies:** Yes, and if my hon. Friend is very quick, I will also give way to the hon. Member for Barnsley East (Stephanie Peacock).

**Chris Green:** Surely permitted development should be rejected if we are to respect local knowledge, local democracy and the Government's own devolution agenda.

**Mark Menzies:** Indeed.

**Stephanie Peacock:** Does the hon. Gentleman share my concern that the Minister for Energy and Clean Growth recently admitted that she had not yet visited a fracking site? The people I represent in Barnsley want their voices heard. They do not want fracking; they want the Government to listen to them.

**Mark Menzies:** I am conscious of time, so I will let those comments stand.

I will finish by asking the Government to listen to the views of local people and accept that the current planning system is dysfunctional when it comes to shale gas applications. I will also say that the right hon. Member for East Antrim (Sammy Wilson) was brave to advocate shale gas; as I said at the outset, there are many views in this debate. However, the one thing that is very clear is that permitted development is not the way forward. The planning system needs to be fixed, and I hope the Minister is the man to do it.

*Question put and agreed to.*

*Resolved,*

That this House has considered local involvement in shale gas development.

5.30 pm

*Sitting adjourned.*

# Written Statements

Wednesday 31 October 2018

## HOME DEPARTMENT

### Terrorism Prevention and Investigation Measures

**The Secretary of State for the Home Department (Sajid Javid):** Section 19(1) of the Terrorism Prevention and Investigation Measures Act 2011 (the Act) requires the Secretary of State to report to Parliament as soon as reasonably practicable after the end of every relevant three-month period on the exercise of his TPIM powers under the Act during that period.

The level of information provided will always be subject to slight variations based on operational advice.

TPIM notices in force (as of 31 August 2018)	6
TPIM notices in respect of British citizens (as of 31 August 2018)	6
TPIM notices extended (during the reporting period)	0
TPIM notices revoked (during the reporting period)	1
TPIM notices revived (during the reporting period)	0
Variations made to measures specified in TPIM notices (during the reporting period)	3
Applications to vary measures specified in TPIM notices refused (during the reporting period)	2
The number of current subjects relocated under TPIM legislation (as of 31 August 2018)	4

The TPIM review group (TRG) keeps every TPIM notice under regular and formal review. The second quarter TRG meetings took place on 6, 7, 11, 22 and 25 June 2018 and 3 and 5 July 2018. The most recent TRG meetings took place on 12, 14, 18, 25 and 27 September 2018. The next round of TRGs will take place during December 2018.

Three individuals have been charged with breach of a TPIM notice. Their criminal trials have yet to be heard.

[HCWS1050]

## HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

### Planning Update

**The Secretary of State for Housing, Communities and Local Government (James Brokenshire):** The Government remain fully committed to making planning decisions faster and fairer for all those affected by new development, and to ensure that local communities are fully involved in planning decisions that affect them.

Today I have published a consultation on whether applicants should be required to conduct pre-application consultation with the local community prior to submitting a planning application for shale gas development. The consultation will also seek views on the process of community consultation that should be required, and what stages of shale gas development should be covered by the consultation.

The Government recognise that early engagement with local authorities on shale gas applications, including capitalising on formal pre-application discussions, is critical in building confidence in decision making, securing

support for development proposals, and setting realistic timeframes for decisions. Requiring applicants to conduct community pre-application consultation prior to undertaking shale gas development could further strengthen the role local people play in the planning process.

This consultation is open for 10 weeks until 7 January 2019. I will inform the House of the outcome of the consultation as appropriate.

[HCWS1051]

## JUSTICE

### Secure Schools

**The Parliamentary Under-Secretary of State for Justice (Edward Argar):** Today, I am publishing guidance on “How to Apply to Run a Secure School” launching the provider selection process for the first school. This follows our acceptance of, and commitment to delivering Charlie Taylor’s secure schools proposal in December 2016 and the Secretary of State’s announcement on 2 October 2018 of the site for the first secure school.

In the Government response to Charlie Taylor’s review, we committed to tackling violence and improve outcomes for children in custody. By creating the first secure school, we are taking a major step towards delivering a truly reformed youth custodial estate that is fit for purpose, characterised by the principles set out in the Taylor review. That is:

- child-focused providers
- strong leaders with freedom and autonomy
- a specialised workforce offering bespoke provision for individual children that has education, health, care and physical activity at its heart.

Secure schools will be run by academy trusts, not-for-profit organisations that are limited by guarantee. With secure schools, we want to place education and health at the heart of youth custody and create a therapeutic environment for the children in our care. It is imperative that the successful provider is driven to work with children in crisis.

We have worked in partnership with the Departments for Education and Health and Social Care, as well as NHS England, to achieve a truly cross-governmental commitment and approach to reforming youth justice. We have also engaged wholeheartedly with a wide range of stakeholders, and this has enabled us to benefit from insightful feedback from experts across the youth justice and education sectors. This means we can confidently say that the secure schools model is shaped by best practice and what we know really works.

We know that children in custody display a wide range of complex needs, so it is crucial that we provide the right type of education, support and care to address those needs. By empowering secure school providers to make key decisions, like being able to set and adapt the curriculum and timetable to provide meaningful activities, we can offer a bespoke service that best meets each child’s individual needs.

Giving providers the autonomy necessary to deliver services in an innovative way is a key part of the secure schools vision, but they will also be subject to a high

level of accountability to ensure appropriate safeguards are in place. We are working closely with Ofsted and the Care Quality Commission to establish the inspection regime for secure schools, and this will be supplemented by monthly independent visitor reviews and independent oversight from organisations such as the local safeguarding children's board.

We agree with the importance that David Lammy's review on the treatment of, and outcomes for, black, Asian and minority ethnic individuals in the criminal justice system places on addressing disproportionality in the youth justice system. With Charlie Taylor's vision of seeing the child first and the offender second, we want secure schools to enable all students, including those from black, Asian and minority ethnic backgrounds, to have trust in the system and be able to access the meaningful support they need to make sure their offending does not continue into adulthood.

The decision has been taken to close Medway and reopen it as a secure school. Delivering the first secure school at this site will provide a fresh start for youth custodial provision in the south-east and ensure that provision remains in place in this crucial area of demand.

The closure will enable us to set up the first school as quickly and cost-effectively as possible, and it is a first step towards our future vision for youth custody. I would like to pay tribute to the hard work of staff whose work over the last two years has resulted in improvements for people living and working at Medway. These were recognised in a recent Ofsted report, which praised the care and consideration given by staff to improving Medway.

Secure school academy trusts will be funded in line with the terms set out in a funding agreement. They must adhere to this agreement and to the academies financial handbook. Academies are also subject to company law which requires that they have clear published frameworks for accountability. They are also subject to a system of independent audit of their accounts however secure schools will be subject to greater financial oversight.

The how to apply guidance is available at:

<https://www.gov.uk/government/publications/secure-schools-how-to-apply>.

[HCWS1052]



## Petition

*Wednesday 31 October 2018*

### **PRESENTED PETITION**

*Petition presented to the House but not read on the Floor*

#### **The royal wedding and public money**

*The petition of residents of the United Kingdom,*

Declares that taxpayers should provide no funding for a private wedding, no matter who is getting married; further that the exact details of royal wedding funding

are shrouded in secrecy; further that we do know that expensive road closures and policing will be required and further that we know local councils and the taxpayer ends up footing the bill.

The petitioners therefore request that the House of Commons urges the Government to ensure the highest standards of openness and transparency relating to the funding of Princess Eugenie and Jack Brooksbank wedding; further to tell the Government to commit no public funds to the wedding and to publish a report of all costs to taxpayers.

And the petitioners remain, etc.—[Presented by *Emma Dent Coad.*]

[P002283]



# ORAL ANSWERS

Wednesday 31 October 2018

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Wednesday 31 October 2018

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Planning Update .....	29WS		

# PETITION

Wednesday 31 October 2018

	<i>Col. No.</i>
<b>PRESENTED PETITION</b> .....	3P
The royal wedding and public money .....	3P

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**not later than  
Wednesday 7 November 2018**

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Members may obtain excerpts of their speeches from the Official Report (within one month from the date of publication), by applying to the Editor of the Official Report, House of Commons.

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