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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 3 March 2021

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Virtual participation in proceedings commenced (Orders, 4 June and 30 December 2020).

[NB: [V] denotes a Member participating virtually.]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Covid-19 Vaccines

Mark Eastwood (Dewsbury) (Con): What recent discussions he has had with (a) Cabinet colleagues and (b) the Northern Ireland Executive on the supply of covid-19 vaccines in Northern Ireland. [912609]

The Minister of State, Northern Ireland Office (Mr Robin Walker): Since the start of the pandemic, the UK Government have worked closely with the Northern Ireland Executive to ensure the safety of the people in Northern Ireland. Vaccines are our way out of the pandemic, and the Secretary of State and I continue to hold regular discussions with Cabinet colleagues in the Northern Ireland Executive on this important issue. The Government have procured vaccines on behalf of all parts of the United Kingdom and are working with the devolved Administrations to ensure that they are deployed fairly across the UK. I am pleased to see that vaccine doses have been successfully administered to more than half a million people in Northern Ireland.

Mark Eastwood [V]: In Dewsbury, Mirfield, Kirkburton and Denby Dale, the roll-out of the vaccine has been a huge success thanks to the amazing work put in by North Kirklees and Greater Huddersfield clinical commissioning groups, and we appear to be well on track to hit the mid-April target for vaccinating cohorts 1 to 9. Will the Minister reassure the people of Northern Ireland that the target will also be met there, ensuring that we come out this pandemic as one United Kingdom?

Mr Speaker: I think that was the get-out-of-jail card.

Mr Walker: My hon. Friend is right about this being a United Kingdom effort, and I congratulate his local clinical commissioning groups on what they are doing. When I visited the Worcester vaccination centre, I was pleased to be met by an ex-military logistics officer from Belfast—that shows the contribution that Northern Ireland is making to the UK roll-out. As of Monday

1 March, 558,000 vaccines have been administered to more than 29% of Northern Ireland's population, including 525,000 first doses. Every step of the way, the UK Government work closely with the devolved Administrations, and I thank and commend those in the Department of Health, the local health trusts and the Executive who have helped to deliver such progress.

Jim Shannon (Strangford) (DUP): The vaccine roll-out is a great achievement, not just for the Minister here but for all the Ministers from the devolved Administrations, because we are part of the United Kingdom of Great Britain and Northern Ireland—better together. In less than two weeks, at 16:40 on 15 March, I will receive the vaccine at the Ulster Hospital when my opportunity on the list comes round.

On supply, will the Minister further outline what discussions have taken place with regard to the needs of rural isolated communities, which will need dedicated clinics because they will find it difficult to make it to the centralised locations for the vaccine roll-out?

Mr Walker: We all welcome the news that the hon. Gentleman has waited his turn and got an appointment to receive a vaccine. He raises an important point. Although of course the delivery of the vaccine in Northern Ireland is primarily a matter for the Department of Health in Northern Ireland, we will continue to work closely with it to support the vaccine roll-out to all communities, including those in remote and rural areas.

Northern Ireland Protocol: Implementation

Mr Philip Hollobone (Kettering) (Con): What recent discussions he has had with Cabinet colleagues on (a) the EU's approach to and (b) future implementation of the Northern Ireland protocol. [912610]

Jo Gideon (Stoke-on-Trent Central) (Con): What recent discussions he has had with Cabinet colleagues on the implementation of the Northern Ireland protocol. [912621]

The Secretary of State for Northern Ireland (Brandon Lewis): My Cabinet colleagues and I continue to work together closely to ensure that we meet our protocol obligations in a pragmatic and proportionate way. We have heard the concerns raised by people and businesses in Northern Ireland and are sensitive to the economic, societal and political realities in Northern Ireland. That is why we are taking forward a series of further temporary operational steps that reflect the simple reality that more time is needed to adapt to and implement new requirements as we continue our discussions with the EU. The steps include the new operational plan for supermarkets and their suppliers, committed to at the Joint Committee. I will lay a written ministerial statement detailing the steps later today.

Mr Hollobone: After the EU's outrageous abuse of the Northern Ireland protocol in relation to its failing vaccine programme, is it not clear that, as it stands, the operation of the protocol is not working? There is far too much disruption to businesses and families in Northern Ireland and it needs urgently to be either reset or scrapped altogether.

Brandon Lewis: There were already challenges in the operation of the protocol in early January this year that were having a direct and often disproportionate impact on citizens. The EU's decision to invoke article 16 has compounded those issues—there is no doubt about that—and significantly undermined cross-community confidence. That action was not in the spirit of the protocol, which is partly why we are taking the actions that I will outline in a written ministerial statement later today.

Jo Gideon [V]: It took just shy of three years to leave the European Union but only 29 days for the EU to threaten to trigger article 16 of the Northern Ireland protocol, without discussions with Great Britain or Northern Ireland—an apparent “oversight”. Will my right hon. Friend please reassure my constituents that confidence in the protocol will be restored? Does he agree that the EU urgently needs to resolve the issues faced by people and businesses in Northern Ireland?

Brandon Lewis: My hon. Friend makes an important point, which was why I was pleased to hear that Vice-President Šefčovič had recently agreed to meet businesses across communities and civic society in Northern Ireland to hear directly from the people who are being affected by some of the issues that we are seeing, particularly the impact that the EU's decision to invoke article 16 had in terms of compounding these issues and of undermining cross-community confidence. That is why we will take forward some further temporary operational steps, which I will outline in the written ministerial statement, to ensure that people in Northern Ireland are able to continue to have access to products in the way that the protocol envisaged.

Louise Haigh (Sheffield, Heeley) (Lab): May I take this opportunity to thank my hon. Friend the Member for Bristol South (Karin Smyth) for her years of service on the Front Bench? I know that she will continue to champion the people of Northern Ireland from the Back Benches.

While we will study the detail that the Secretary of State is set to announce in his written ministerial statement, any more time will be welcomed by businesses across Northern Ireland which simply were not prepared for the changes that took place on 1 January. He admitted last week that he did not envisage the disruption that we have seen as a result of the protocol, despite businesses shouting from the rooftops for months. Given this lack of awareness and the shambolic preparation for the end of the transition period, what confidence can the Secretary of State give to businesses in Northern Ireland that this extension will be used properly to prepare businesses for the changes to come?

Brandon Lewis: I join the hon. Lady in her thanks to her colleague the hon. Member for Bristol South (Karin Smyth) for the work that she has done. Both my hon. Friend the Member for Worcester (Mr Walker) and I have worked with her and know that her compassion and her passion for the issues of the people of Northern Ireland are without question, and huge credit goes to her for that.

On the issues that the hon. Member for Sheffield, Heeley (Louise Haigh) has just raised, I would say to her that, genuinely, we have been working with businesses

and across communities in Northern Ireland over the past year on the development of the guidance notes. In fact, we have been working with businesses since the end of the transition period to ensure that things are delivered in a way that works for them. Our work is informed by businesses so that we can deliver what they need on the ground to deliver for their customers and our constituents right across Northern Ireland.

Louise Haigh: Any extra time will of course be welcome and is important, but it is not the long-term solution that businesses and the people of Northern Ireland need. Can the Secretary of State confirm that he is demanding within Government practical solutions, such as a veterinary agreement, that would reduce the barriers down the middle of our Union that his Government insisted on?

Brandon Lewis: The hon. Lady will have seen the correspondence between the Chancellor of the Duchy of Lancaster and the EU Commission outlining some of the things that we are looking at implementing. I point out that it is worth all businesses looking at and taking advantage of the Trader Support Service and the movement assistance scheme, which are specifically there to help businesses and to support them entirely at the cost of the UK Government. We have put several hundred million pounds of support into those businesses through those schemes, and they are working exceedingly well. Some businesses are hugely positive about the impact they will have.

Sir Jeffrey M. Donaldson (Lagan Valley) (DUP) [V]: As we approach the end of the three months' grace period under the Northern Ireland protocol, many businesses and individuals in Northern Ireland are very concerned about what this will mean for them, in particular in relation to their ability to order goods and receive parcels from suppliers in Great Britain. Without further disruption to this trade, what will the Secretary of State and the Government do to address these concerns?

Brandon Lewis: The right hon. Gentleman makes a very good point. As has been the case since January, our focus will remain on supporting the effective flow of goods between Northern Ireland and Great Britain, avoiding any unacceptable disruption to the critical flow of goods on which lives and livelihoods rely. I absolutely agree that it is important that businesses and citizens across Northern Ireland do not see their lives or their livelihoods unacceptably disrupted as they adapt to new requirements. I can advise him that further guidance will be provided later this week on parcel movements from Great Britain to Northern Ireland.

Sir Jeffrey M. Donaldson: I thank the Secretary of State for that response. He will also be aware that agrifood businesses and others in Northern Ireland are very concerned about the potential imposition of charges on goods that are brought into ports in Northern Ireland at the behest of the European Union. This will add significantly to the cost of doing business with the rest of the United Kingdom. Again, what does the Secretary of State intend to do to ensure that businesses in Northern Ireland are not required to pay these additional charges?

Brandon Lewis: I know that the right hon. Gentleman, along with the First Minister and other party colleagues, have been strong in their determination to highlight this and other issues associated with the protocol—I absolutely recognise that. I can confirm today that it is our intention that no charging regime is required for agrifoods, and I will be outlining that in the written ministerial statement later today.

Mr Speaker: Let us head to the Chair of the Select Committee, Simon Hoare.

Simon Hoare (North Dorset) (Con) [V]: May I echo the thanks to the hon. Member for Bristol South (Karin Smyth) and welcome the hon. Member for Pontypridd (Alex Davies-Jones) to her Opposition Front-Bench duties? I welcome the general attitude of the Government towards resolving the issues on the protocol: they are right, and the Secretary of State will have our support as he goes forward. However, I urge him to really put some pressure on the Department for Business, Energy and Industrial Strategy to better explain to GB businesses what they need to do, how they need to do it and when they need to do it in order to sell their goods into the very welcoming market that is Northern Ireland?

Brandon Lewis: I thank my hon. Friend for outlining this issue. My right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy is very keen to ensure that GB businesses have all the information they need. My hon. Friend is right to highlight the fact that a number of the issues we have found relate to companies in Great Britain not appreciating what they can do in order to continue their smooth supplies to people in Northern Ireland. We want to ensure that that is the case. I encourage businesses to engage particularly with the trader support service, which is there to help businesses and, as I say, has phenomenal response and success rates in helping them to ensure that they can deliver. We as a Government will continue to fund it to ensure that it is there to support business and the people of Northern Ireland.

Richard Thomson (Gordon) (SNP) [V]: There is considerable anecdotal evidence from food producers that exports continue to be below pre-Brexit levels. With the retailers' grace period ending this month, export health certificates will be required for imports of chilled and processed meats. How do the UK Government plan to ease specific concerns of the agrifood industry over this requirement ahead of the end of that grace period?

Brandon Lewis: In classic House of Commons terms, I refer the hon. Gentleman to an answer I gave a few moments ago: he will see our position in a written ministerial statement later today that deals with that very issue.

Colum Eastwood (Foyle) (SDLP): As the Secretary of State knows, we did not want Brexit, but we do have the protocol and the protocol is here to stay, despite what anybody else might say. It does give us a competitive advantage. Will he work with me to make the most of that competitive advantage by getting rid of the maximum student numbers cap and the historical under-provision of university places for Northern Ireland?

Brandon Lewis: The hon. Gentleman makes a really important point that is worth highlighting. We have two great universities in Northern Ireland that are globally leading, with one of them recently winning the award for the most entrepreneurial university and one of them being among the best nursing provision universities in the UK. That is something we should be proud of. We should look at how we can develop and grow that work for the benefit of the universities, the wider economy and their phenomenal input, and the huge competitive advantage, that, yes, Northern Ireland has, not least because of the amazing skill sets across Northern Ireland. I am happy to work with him to ensure that we develop, promote and take advantage of that for the benefit of people in Northern Ireland.

Northern Ireland Protocol

Graham Stringer (Blackley and Broughton) (Lab): What assessment his Department has made of the adequacy of the implementation of the Northern Ireland protocol. [912611]

Matt Western (Warwick and Leamington) (Lab): What assessment his Department has made of the adequacy of the implementation of the Northern Ireland protocol. [912616]

Alex Cunningham (Stockton North) (Lab): What assessment his Department has made of the adequacy of the implementation of the Northern Ireland protocol. [912622]

Bill Esterson (Sefton Central) (Lab): What assessment his Department has made of the adequacy of the implementation of the Northern Ireland protocol. [912634]

The Secretary of State for Northern Ireland (Brandon Lewis): The Government are committed to meeting our obligations in a proportionate way, taking account of the Belfast-Good Friday agreement in all its dimensions—north-south and, of course, east-west. As I stated in previous answers, we have heard the concerns raised by people and businesses in Northern Ireland, and we are sensitive to the economic, societal and political realities of Northern Ireland. While we have made good progress in line with this pragmatic approach, we will be taking forward a series of further temporary operational steps, details of which, as I say, will be in the WMS that I will lay later today.

Graham Stringer: The EU has approached the protocol with a malign and hostile attitude. Would it not make sense to renegotiate it to an agreement of mutual enforcement or trigger article 16?

Brandon Lewis: My focus is on ensuring that colleagues across Government ensure that we are able to deliver for the people of Northern Ireland in the most effective, efficient, flexible and fluid way. It was good, as I said, that Vice-President Šefčovič met businesses and civic society in Northern Ireland and has committed to continuing to do that so that he can hear directly on the ground the impact that some of this is having, not least the action that the EU took in its movement towards activating article 16 and the impact felt across communities

regarding people's confidence around that. It is right that the EU understands the impact this has on people's everyday lives in Northern Ireland.

Matt Western [V]: Many businesses in Warwick and Leamington and across the country have already opted out of supplying to Northern Ireland due to the complexities. Does the Secretary of State accept that the Government's denial over the reality of an Irish sea border has actually hampered efforts to prepare British businesses for trade with Northern Ireland and led to the disruption we are seeing today?

Brandon Lewis: What I would say to businesses is that I would encourage them to engage with the trader support service that the Government have put in place and which we are funding. It works for businesses, and the businesses that have used it have had great success in continuing to be able to move their products, with advice, smoothly and fluidly. We have worked with businesses continually through the process—as we were in the transition period and since we have left the transition period—to ensure that businesses across the United Kingdom can trade across the United Kingdom, but I recognise there have been issues in how the protocol has been implemented since the end of the transition period, and that is why we will be outlining measures in a written ministerial statement later today.

Alex Cunningham [V]: Hard-liner Back Benchers in the Secretary of State's own party want to tear up the deal they voted for and place our border on the island of Ireland. Will the Secretary of State today publicly reject the demands of the European Research Group, with all the damage and instability those demands could cause?

Brandon Lewis: The hon. Gentleman may well have voted for the deal as well. I will be very clear with him: my focus is on ensuring that we deliver exactly what the protocol said, which is to ensure that it does not disrupt the everyday lives of people in their communities in Northern Ireland. We have to make sure that is the case. That is what the protocol set out to achieve. We have also got to make sure that it respects all the peace and prosperity that has been found in Northern Ireland as a result of the Good Friday/Belfast agreement, and that means respecting not just north-south relations, but east-west relations as well.

Bill Esterson [V]: Trade groups say that the trader support service is simply not good enough for the 12,000 traders who need its help. Businesses report that the scheme is providing confusing and conflicting advice. Why on earth is the Northern Ireland Secretary saying that disruption was not envisaged? The problems with the trader support service were known about well before the end of transition, including by the then Department for Exiting the European Union, which warned of problems with additional documentation as long ago as October 2019.

Brandon Lewis: At the end of the hon. Gentleman's question, he was talking about a period of time before the transition period ended and before the trader support service was outlined and in place. What I would say is that the trader support service now has more than

34,000 registered users. On average, calls to the service are handled in six seconds and 98% of declarations are processed within 15 minutes. That sounds like a pretty good record of success to me.

If the hon. Gentleman has some examples that are different from that, I will very happily engage with him directly if he wants to let me know, but that is a track record of success that the people involved in the trader support service should be proud of. More businesses can engage with that service and benefit from it, for the benefit of those businesses and the people of Northern Ireland.

Sammy Wilson (East Antrim) (DUP): Even with the grace periods in place, which give exemptions from many of the EU checks that will eventually be required in Northern Ireland, there has been massive disruption of trade as a result of the implementation of the protocol. Does the Secretary of State accept that if the Prime Minister's promise and the protocol's assurance that there will be unfettered trade between GB and Northern Ireland are to be delivered, something more than an extension of the grace periods is required? Really, there needs to be a reset or a rethinking of the agreement so that we have an alternative arrangement, such as the mutual enforcement of regulations, that would exempt Northern Ireland from being subject to EU laws and from the European Court of Justice making judgments about this part of the United Kingdom.

Brandon Lewis: I respect the right hon. Gentleman, who has been consistent in his views on this issue at all times. I have also been very clear: we were always determined to ensure that we were able to deliver unfettered access for Northern Ireland businesses to the rest of the United Kingdom, and we have done that. We have also been very clear that we want to ensure that free flow and flexible trade across the United Kingdom so that GB businesses can trade into Northern Ireland properly, while accepting and acknowledging the reality of the single epidemiological unit of the island of Ireland, as the sanitary and phytosanitary situation does. That has been there, as I said before, in some form or another since the 19th century. It is something that was acknowledged long ago, and I absolutely accept, as we have always outlined, that it does have an impact.

The right hon. Gentleman is absolutely right that we have to ensure that the people of Northern Ireland can continue to enjoy products, their commercial activities and their day-to-day lives in the way that they always have done as members of and part of the United Kingdom.

Mr Speaker: I welcome the new shadow Minister to the Dispatch Box.

Alex Davies-Jones (Pontypridd) (Lab): If businesses had had their voices listened to over the last year, disruption could have been avoided. The joint consultative working group offers a real opportunity for businesses, civic society and politicians in Northern Ireland to have their voices heard, but at the moment, all we know about it is that it merely exists. This is a missed opportunity, so will the Minister commit to giving these groups a formal role and an input into how the protocol works? Without them, there can be no decision about Northern Ireland.

Brandon Lewis: I join others in welcoming the hon. Lady to her new role. I am sure she will be able to fight the case for the people of Northern Ireland with great strength and passion, and I look forward to working with her, as does my hon. Friend the Member for Worcester (Mr Walker).

I have been working with businesses throughout this process, including through the business engagement forum, which will meet again shortly. We engaged with businesses with Vice-President Šefčovič a week or so ago, to have that direct input. Ultimately, I am a democrat, and I believe in the democratic system and the way in which Parliament and the structures we have in place work. I know that businesses have a full voice within that, and we have ensured that at every stage of the process.

Northern Ireland Protocol: Implementation

Alan Brown (Kilmarnock and Loudoun) (SNP): What recent discussions the Government have had with the EU on the implementation of the Northern Ireland protocol. [912612]

The Secretary of State for Northern Ireland (Brandon Lewis): The co-chairs of the UK-EU Joint Committee met last Wednesday to discuss the set of issues with the protocol that need to be addressed to protect the vital links between Northern Ireland and the rest of the United Kingdom. These engagements are supported by regular official-level contact, including via the Northern Ireland/Ireland specialised committee, which met last Tuesday, to ensure that the protocol operates as intended, with minimum impact on the everyday lives of people in Northern Ireland. We will continue to discuss all our implementation efforts through the withdrawal agreement structures, including in giving effect to the commitments made at December's Joint Committee, and there will be an informal meeting with the EU and Vice-President Šefčovič later today.

Alan Brown [V]: Some Northern Irish companies have been boasting about their dual access to both the British and EU marketplaces for trade purposes. Will the Secretary of State confirm that Northern Ireland businesses do indeed have great opportunities and that this also creates a relative disadvantage for businesses in Scotland?

Brandon Lewis: As I outlined in response to an earlier question, Northern Ireland businesses have a huge opportunity and a huge competitive advantage, not least because of the amazing skillsets across Northern Ireland in technology, hydrogen and advanced engineering. There are a wide range of things that businesses in Northern Ireland have to promote, with the advantage they have in promoting around the world, to develop business and more jobs for Northern Ireland.

Administrative Burdens on Businesses

Stephen Farry (North Down) (Alliance): What steps the Government are taking to help reduce the administrative burden for businesses involved with the movement of goods into Northern Ireland since the UK's departure from the EU. [912613]

The Secretary of State for Northern Ireland (Brandon Lewis): In my engagements with businesses, I have heard directly about the importance of ensuring that

processes are streamlined to the maximum extent, and we are working with businesses to ensure that we are delivering on that. More than £200 million has been put into the trader support service, the movement assistance scheme and the UK trader scheme to support those businesses. The newly established digital assistance scheme, when fully operational, will provide a simplified digital process for the certification and verification of goods moving from Great Britain to Northern Ireland. We will continue to address issues that arise, and that will be part of the subject of my written ministerial statement later today.

Stephen Farry [V]: Businesses also need stability and legal certainty. In the past few days, we have seen the Northern Ireland Agriculture Minister stress that he may unilaterally breach commitments under the protocol. Can the Secretary of State give an assurance that the UK Government, as a sovereign party to the withdrawal agreement, will, in the last resort if necessary, ensure ongoing legal compliance and that any changes to the protocol are agreed with the European Union?

Brandon Lewis: As I outlined earlier, I can confirm that our intention is that no charging regime is required for agrifoods, and my written ministerial statement will confirm that later today. At all times we will be focused on ensuring that we are acting in a fully legal manner and delivering for people in Northern Ireland.

World Rally Championship

Greg Smith (Buckingham) (Con): What representations he has received on a potential world rally championship round taking place in Northern Ireland. [912614]

The Minister of State, Northern Ireland Office (Mr Robin Walker): This Government will always do what they can to champion Northern Ireland tourism, which in normal times includes major sporting events. I know that the Northern Ireland Economy Minister was giving consideration to hosting the world rally championship, for which the hon. Member for North Antrim (Ian Paisley) has been a strong champion in the House. The Government will happily support the Executive should they decide to proceed with funding the event, but ultimately, this is a matter for the Executive.

Greg Smith [V]: I thank my hon. Friend for that answer. The United Kingdom proudly sits at the heart of global motorsports, having hosted a round of the world rally championship virtually every year since its inception in 1973. Does my hon. Friend agree with me that it is important that the UK continues to host a round of that championship, and will he do everything possible to work with the Northern Ireland Executive and all parties involved to see a round of the WRC hosted in Northern Ireland in the coming years?

Mr Walker: I wish my hon. Friend a happy birthday, and I welcome the points he makes about the UK's leadership in the space of motorsports. I think Northern Ireland would produce an excellent backdrop for hosting an event of that sort, and I would be very happy to continue to work to support the Executive in that regard with any future bids.

Great Britain-Northern Ireland Tunnel

John Spellar (Warley) (Lab): What discussions he has had with the Secretary of State for Transport on the feasibility and viability of a tunnel from Great Britain to Northern Ireland. [912615]

The Minister of State, Northern Ireland Office (Mr Robin Walker): The Secretary of State and I have regular conversations with ministerial colleagues regarding transport connections, which are particularly important for Northern Ireland given its unique position. Connectivity across the UK is vital to fuel Northern Ireland's economic recovery and strengthen the Union. The Prime Minister commissioned a Union connectivity review to consider these important connections, including the feasibility of a fixed link between Northern Ireland and Great Britain.

John Spellar: In those discussions, could the Minister not get together with the Department for Transport and point out the huge cost, the geological problems and the inconvenient reality that Britain and Ireland operate on a different rail gauge? Is it not time to dump this project at an early stage, along with the garden bridge, into the bin and save a lot of money, effort and probably a few column inches in articles?

Mr Walker: I have to say that I am not impressed with the right hon. Gentleman's lack of ambition. I want to make sure that we look at all options to support connectivity to Northern Ireland, and I am grateful that we have a Prime Minister who is willing to do that.

PRIME MINISTER

The Prime Minister was asked—

Engagements

[912839] **Kim Johnson** (Liverpool, Riverside) (Lab): If he will list his official engagements for Wednesday 3 March.

The Prime Minister (Boris Johnson): It will be three years tomorrow since a chemical weapon was deployed by Russian military intelligence on the streets of Salisbury. All our thoughts remain with those affected, their families and loved ones, and we will continue to seek justice for them. I am sure this House will want to pay tribute to the people of Salisbury and Amesbury, and wish them well for the future.

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.

Kim Johnson [V]: Liverpool is a welcoming city, with the oldest Chinese community in Europe, but in 1946 the British Government ordered the forced repatriation back to China of thousands of Chinese seamen who were living in Liverpool with their British families, causing lasting emotional trauma. Many of their descendants still live in my Liverpool, Riverside constituency. Will the Prime Minister take steps to acknowledge these events, and provide the descendants with a formal apology and the justice they deserve?

The Prime Minister: I have happy memories of my own visits to Liverpool, and I can tell the hon. Member—*[Interruption.]* I can tell her that we are certainly very grateful across the country to the Chinese community for their amazing contribution. Her message has been heard loud and clear.

[912840] **John Stevenson** (Carlisle) (Con) [V]: The Pirelli factory in Carlisle employs around 800 people, contributes hundreds of millions of pounds to the local economy and is an exporter. Its location is a consequence of regional economic policy from 50 years ago. Does the Prime Minister agree that, if we are to rebalance the economy and level up the country, we need a modern-day, proactive regional economic policy? If he does agree, will he come to Carlisle to see the old and new in action?

The Prime Minister: Of course, I am very grateful to my hon. Friend for what he says. He will hear more in just half an hour or so—let us try to keep it to half an hour, Mr Speaker—from the Chancellor about how exactly we intend to make sure we build back better across the whole of this country and unleash the tremendous potential of the whole of the United Kingdom, including of course Carlisle, which he so well represents.

Keir Starmer (Holborn and St Pancras) (Lab): I join the Prime Minister in his comments about the Salisbury atrocity.

Does the Prime Minister agree with President Biden that the sale of arms which could be used in the war in Yemen should be suspended?

The Prime Minister: Ever since the tragic conflict in Yemen broke out, this country has scrupulously followed the consolidated guidance, of which the right hon. and learned Gentleman will be well aware.

Keir Starmer: The trouble is that, while President Biden has suspended arms sales that could be used in Yemen, the UK has not. In fact, we sold £1.4 billion-worth of arms to Saudi Arabia in three months last year, including bombs and missiles that could be used in Yemen. Given everything we know about the appalling humanitarian cost of this war, with innocent civilians caught between the Saudi coalition and the Houthi rebels, why does the Prime Minister think it is right to be selling these weapons?

The Prime Minister: The UK is part of an international coalition following the UN resolutions, which the right hon. and learned Gentleman will know well and which are very clear that the legitimate Government of Yemen were removed illegally. Those are the resolutions that we follow, and we continue scrupulously to follow the humanitarian guidance—among the toughest measures anywhere in the world—in respect of all arms sales. He talks about humanitarian relief, and actually I think the people of this country can be hugely proud of what we are doing to support the people of Yemen: almost £1 billion of aid contributed in the past five years.

Keir Starmer: The Prime Minister says the system is very robust in relation to arms sales. It cannot be that robust: the Government lost a court case just two years ago in relation to arms sales. The truth is that the UK is increasingly isolated in selling arms to Saudi Arabia,

despite what is happening in Yemen, despite Saudi Arabia's human rights record, and despite the brutal murder of journalist Jamal Khashoggi—a murder the US has concluded was approved by the Saudi Crown Prince. So I have to ask: what will it take for the Prime Minister to suspend arms sales to Saudi Arabia?

The Prime Minister: We condemn the murder of Jamal Khashoggi. We continue to call for a full independent investigation into the causes of his death, and indeed we have already sanctioned 20 people in Saudi Arabia. I repeat the point that I have made that the UK Government continue to follow the consolidated guidance, which, by the way, was set up by the Labour party.

Keir Starmer: To make matters worse, the Government decided this week to halve international aid to Yemen—to halve it. The United Nations has said that Yemen faces the worst famine the world has seen for decades, and the Secretary-General said on Monday that cutting aid would be a “death sentence” for the people of Yemen. How on earth can the Prime Minister justify selling arms to Saudi Arabia and cutting aid to people starving in Yemen?

The Prime Minister: It is under this Government that we have increased aid spending to the highest proportion in the history of our country, and, yes, it is true that current straitened circumstances, which I am sure the people of this country understand, mean that temporarily we must reduce aid spending, but that does not obscure the fact that when it comes to our duty to the people of Yemen we continue to step up to the plate: a contribution of £214 million for this financial year. There are very few other countries in the world that have such a record and that are setting such an example in spending and supporting the people of Yemen.

Keir Starmer: This week the Government halved our international aid to Yemen. If this is what the Prime Minister thinks global Britain should look like, he should think again, and if he does not believe me—if he does not like it from me or the UN Secretary-General—he should listen to his own MPs. Just this morning, the Conservative MP the right hon. Member for Bournemouth East (Mr Ellwood) said:

“Cutting support to starving children is not what Global Britain should be about. It undermines the very idea of the UK as a nation to be respected on a global stage.”

The right hon. Member for Sutton Coldfield (Mr Mitchell) said this was “unconscionable”. Will the Prime Minister now do the right thing and reconsider this urgently?

The Prime Minister: I repeat: we have given £1 billion since the conflict began; we are in support of UN resolutions; this year we are contributing another £214 million to support the people of Yemen. There are very few other countries in the world that have that kind of record. In these tough, straitened circumstances, bearing in mind the immense cost of the covid epidemic that has affected our country, I think the people of this country should be very, very proud of what we are doing.

Keir Starmer: Britain should be a moral force for good in the world, but just as the US is stepping up, the UK is stepping back. If the Prime Minister and Chancellor

are so determined to press ahead with their manifesto-breaking cuts to international aid—cutting the budget to 0.5%—they should at least put that to a vote in this House. Will he have the courage to do so?

The Prime Minister: We are going to get on with our agenda of delivering for the people of this country and spending more than virtually any other country in the world—by the way, spending more, still, than virtually any other country in the G7—on aid. It is a record of which this country can be proud. Given the difficulties that this country faces, I think that the people of this country will think that we have got our priorities right.

The right hon. and learned Gentleman cannot work out what his priorities are. One minute he is backing us on the road map; the next week he is turning his back on us. He cannot even address a question on the issues of the hour. He could have asked anything about the coronavirus pandemic; instead, he has consecrated his questions entirely to the interests of the people of Yemen. We are doing everything we can to support the people of Yemen given the constraints that we face. We are getting on with a cautious but irreversible road map to freedom, which I hope that he will support. Very shortly, Mr Speaker, you will be hearing a Budget for recovery.

Mr Speaker: I think I already know most of it.

[912841] **Dr Liam Fox** (North Somerset) (Con): My right hon. Friend will be aware that when devolution was established in Scotland, there was no separate Scottish civil service created; we have a UK civil service, with UK ministerial oversight. Given the turmoil in Scottish politics, will he confirm that any civil servants who feel pressurised to behave inappropriately have a mechanism to seek redress beyond the Ministers to whom they are immediately answerable?

The Prime Minister: I thank my right hon. Friend, and of course we will support all civil servants. By the way, I thank them for the work that they have done up and down the country throughout the pandemic. I think everybody in this House would agree that now is the time, really, for our civil service to focus on working together to build back better together, rather than on measures that might divide our country.

Ian Blackford (Ross, Skye and Lochaber) (SNP): May I associate myself with the remarks of the Prime Minister on the terrible atrocity three years ago in the town of Salisbury?

The situation in Yemen has been called the world's worst humanitarian crisis. One hundred thousand people have been killed, 16.2 million are at risk of starvation, and 2.3 million children, Prime Minister, are at death's door, facing acute malnutrition. The UK Government's response is not one of compassion; instead, it is to impose cuts. That is what you are doing, Prime Minister—a 50% cut to international aid to Yemen, a move that the UN chief, António Guterres, has described as “a death sentence”.

Since the start of the war, the Tories have shamefully backed the Saudi regime through billions of pounds of arms sales and support, despite evidence of war crimes and of the targeting of civilians. Will the Prime Minister confirm that today's Budget will force through the devastating cuts to international aid?

The Prime Minister: I think anybody listening to this debate will have heard me say that this country—this Government—in the last five years has given £1 billion to support the people of Yemen. I can tell the right hon. Gentleman, in case he thinks there is any diminution of our efforts, that on Monday we are going to provide cash support to 1.5 million of the most vulnerable Yemeni households, support 400 health clinics and treat 75,000 cases of severe malnutrition. That is the continuing effort of the British people and the British Government to help the people of Yemen.

Ian Blackford: The reality is a 50% cut to Yemen aid at a time of a global pandemic. The coronavirus has hit poor and vulnerable countries the hardest, threatening decades of hard-won gains while exacerbating existing inequalities. During his leadership race, the Prime Minister made a commitment to stand by 0.7% for aid spending, a position he reaffirmed in June last year at that very Dispatch Box. What followed was yet another U-turn—another broken promise. Why is the Prime Minister breaking his own manifesto commitment, and why are his Government breaking the promises they made to the world's poorest?

The Prime Minister: I think most people in this country will know that the Government have given £280 billion to support the people, the economy, the livelihoods and the businesses up and down the whole of the United Kingdom. That has, as you will hear from the Chancellor, Mr Speaker, placed strains on our public finances. In the meantime, we continue to do everything we possibly can to support the people of Yemen, including, by the way, through a massive vaccination programme, to which the people of this country have contributed £548 million—the second biggest contributor in the world.

[912843] **Mike Wood** (Dudley South) (Con): The Prime Minister will know from his time working in the Black Country how important our green spaces and green belt are. Will he make sure that Dudley Council and our Mayor Andy Street have the powers and resources they need to ensure that development is on brownfield rather than valuable green spaces, and that local people's voices are clearly heard and taken into account, including where the proposed development is across local authority borders in the green belt surrounding Dudley South?

The Prime Minister: Indeed. We will protect our vital green belt, which I think constitutes 12.4% of our land. We can build our homes as my hon. Friend rightly suggests—300,000 of them on brownfield sites across the country.

Sir Jeffrey M. Donaldson (Lagan Valley) (DUP) [V]: We are now in the third month of the Northern Ireland protocol and we are fast approaching the end of the three-month grace period. The Prime Minister will be aware of the disruption the protocol is causing to trade between Great Britain and Northern Ireland, and the damage it is doing to the stability of the political institutions established under the Belfast agreement. What action does the Prime Minister intend to take to deliver on his promise to protect Northern Ireland's position within the UK internal market and provide us with unfettered access to goods from Great Britain?

The Prime Minister: The position of Northern Ireland within the UK internal market is rock solid and guaranteed. We are making sure that we underscore that with some temporary operational easings in order to protect the market in some areas, such as food supplies, pending further discussions with the EU. As I have said to the right hon. Gentleman and his colleagues, we leave nothing off the table to ensure that we get this right.

[912844] **Sarah Atherton** (Wrexham) (Con): Our British vaccine, finished in Wockhardt in Wrexham, has shown the globe exactly what the UK can achieve. In Wrexham, we have Maelor Hospital, Coleg Cambria, Glyndŵr University and an industrial estate bristling with small and medium-sized enterprises. We are close to the midlands and the north-west. Does the Prime Minister agree that now is the time for our young people to look at and aspire to careers in STEM and healthcare, and that Wrexham is the hub that can take us forward?

The Prime Minister: My hon. Friend is completely right. I thank her again, by the way, for her amazing service in the NHS in Wrexham and in returning to the frontline. It was at Wockhardt in Wrexham that I met young female scientists who are helping to make the vaccine that will not only free our country, we hope, from the captivity of covid, but help to liberate the entire world. It was wonderful to see it happening in Wrexham. We want to see many more young female scientists growing up in that part of the world.

[912842] **Grahame Morris** (Easington) (Lab) [V]: I would like to ask about a very important domestic issue. The property tax system in England is broken. Council tax places an unfair burden on people living in the poorest communities without generating the revenues needed to fund local services. Does the Prime Minister agree that a proportional property tax, as proposed by the Fairer Share campaign, would create a transparent property taxation system, generate revenues that local government needs and ease the tax burden on hard-pressed families across the country, including in my constituency of Easington?

The Prime Minister: With great respect to the hon. Member, what the country needs are councillors who charge you less while delivering better services. If we look across the country, we can see that it is overwhelmingly Conservative-run councils that do that. The right hon. and learned Member for Holborn and St Pancras (Keir Starmer) laughs. Westminster has kept council tax low. In Camden where he lives, it is three times as high. That is the difference.

[912845] **Sir David Amess** (Southend West) (Con): Last Friday, my constituent Mr Luke Bellfield, who was aged just 18, was stabbed to death just a few miles from his family home. This has been horrendous for his family and friends who have been left behind and my heart goes out to them all. What more does my right hon. Friend think that the police, society and Parliament can do to make sure that there never will be such senseless murders again?

The Prime Minister: I sympathise very much with Luke's family and his friends, and there is nothing I can say that will alleviate their loss. But what we are doing is

recruiting many more police officers to fight crime, rolling up the county lines drugs gangs wherever we can and setting out plans to keep serious sexual and violent offenders behind bars for longer. I can tell the House that we now have 6,620 of our target extra 20,000 police already recruited.

[912851] **Patrick Grady** (Glasgow North) (SNP): We know that the Prime Minister is the proud leader of a British nationalist party, and he says that his no to another independence referendum in Scotland is final, so why are his colleagues in Scotland distributing leaflets that say a vote for the Tories is a vote to stop an independence referendum? If a vote for the British nationalist Tories in Scotland must be accepted as a legitimate vote against a referendum, surely a vote for the Scottish National party in May must be respected as a mandate for putting Scotland's future in Scotland's hands.

The Prime Minister: I was delighted to hear a sort of acceptance there that the hon. Gentleman is running a nationalist party, if that is what he was saying, because I am afraid I agree with that; they are not in respect of the whole of this country. But I think that most people will think it extraordinary that they are talking about another referendum—the Labour Chief Whip is nodding quite rightly—when, actually, what the people of this country want to see is us working together as one United Kingdom without further constitutional upheaval, to get through the pandemic and build back better.

[912846] **Sara Britcliffe** (Hyndburn) (Con): May I first say how great it was to welcome my right hon. Friend to Accrington last week? I am sure that he will join me in thanking the staff and pupils at Accrington Academy for making our visit such a welcoming one. As you will know, Mr Speaker, my constituency was at the heart of the first industrial revolution, and we are ready to lead in the new green industrial revolution and level up once and for all. On that note, will my right hon. Friend commit to supporting my campaign to rejuvenate our high streets and town centres across Hyndburn and Haslingden?

The Prime Minister: I congratulate my hon. Friend on her campaign. It was great to be in Accrington and I hope that she will be hearing even more shortly from my right hon. Friend the Chancellor about what we can do to support the towns fund and other measures to help Accrington and places across the whole country.

Mr Speaker: We are now heading up to Amy Callaghan, who I welcome back again—good to see you.

Amy Callaghan (East Dunbartonshire) (SNP) [V]: Thank you, Mr Speaker, and I would like to thank you and Members across the House, including the Prime Minister, for your well wishes during my illness.

The Prime Minister previously guaranteed that there was no threat to the Erasmus scheme as a result of Brexit. We now know that charities such as STAND International in my constituency that participate in the programme are set to lose 96% of their funding as a result of the UK Government's decision to pull the plug on Erasmus+. Can the Prime Minister guarantee that charities will receive match funding under the new

Turing scheme, and will he agree to meet me and representatives from STAND International to ensure that no young person in East Dunbartonshire gets left behind as a result of Brexit?

The Prime Minister: I am sure I speak for everybody when I say how much I welcome the hon. Lady back to PMQs—it is great to see her back. I do give her that assurance, and I think the Turing scheme will be better and will deliver exactly what she wants. If there was a criticism of the Erasmus scheme, it tended to favour higher-income households. We will do everything that we can with the Turing scheme to reach out to give opportunity to people from disadvantaged backgrounds. That is what we intend to do.

[912847] **Andrea Leadsom** (South Northamptonshire) (Con): My right hon. Friend has taken a strong personal interest in the tragic story of my constituent, Harry Dunn, so will he please continue to do everything in his power to reassure Tim and Charlotte, Harry's parents, and all their family that he will try to persuade President Biden to deliver justice for Harry?

The Prime Minister: My right hon. Friend is completely right to continue to raise the case of Harry Dunn, and we sympathise deeply with his family. It is a case that we continue to raise with the highest level, and I know that my right hon. Friend the Foreign Secretary has only just raised it with Tony Blinken, the US Secretary of State.

Beth Winter (Cynon Valley) (Lab) [V]: Rhondda Cynon Taf, where my constituency is located, has the third highest covid death rate in the UK, due mainly to inequality, poverty and chronic underfunding. This UK Government have an appalling record on providing Wales with even a fair share of UK spending, let alone the funding needed to level up. Eleven years of Tory austerity cuts have destroyed the capacity of our public services to withstand the pandemic, and now they plan to bypass the democratic structures in Wales. My constituent Lyndon has a question for the Prime Minister. What will it take for him to stop ignoring the south Wales valleys?

The Prime Minister: I am afraid I disagree profoundly with the implication of what the hon. Lady is saying—and indeed with what her constituent Lyndon is, by implication, asking—because this Government continue to give massive support through the Barnett formula and elsewhere. I think through Barnett alone it is £2.4 billion, and there is now more coming through the levelling-up fund and other means. It is thanks to the UK Government that the furlough scheme has supported 3,400 jobs in her constituency alone. That is one of the advantages of the United Kingdom.

[912848] **Andrew Bowie** (West Aberdeenshire and Kincardine) (Con) [V]: Only this week, the Government once again demonstrated their commitment to energy industry jobs in the north-east of Scotland as a whole, with over £30 million committed to creating a green energy transition zone and a global underwater hub. Will my right hon. Friend therefore go further in supporting this most vital industry? It is vital to developing the energy technologies of the future—based, he will agree, in the greatest part of the country—and transitioning to

net zero with the long-awaited energy transition deal, which will help to transform the oil capital of Europe into the green energy centre of the world.

The Prime Minister: I congratulate my hon. Friend on his last-minute lobbying. He has only a few minutes to wait before he may hear something to his advantage.

Carla Lockhart (Upper Bann) (DUP) [V]: Prime Minister, in an interview with Sophy Ridge broadcast on 8 December 2019, you pledged that there would be no checks on goods going from NI to GB or from GB to NI. While this has proven more challenging to deliver in practice, would you wish to take this opportunity to encourage Ministers in Northern Ireland to do all they can—

Mr Speaker: Order. Unfortunately, I am not responsible and “you” is not something that we should be using.

Carla Lockhart: My humble apologies. Can the Prime Minister make this aspiration a reality and ensure that they act in accordance with section 46 of the United Kingdom Internal Market Act 2020, which stresses the importance of facilitating the free flow of goods between Great Britain and Northern Ireland?

The Prime Minister: Yes, I certainly can do that. As I said in answer to the right hon. Member for Lagan Valley (Sir Jeffrey M. Donaldson), we leave nothing off the table in order to make sure that we get that done. There is unfettered access NI-GB and GB-NI.

[912849] **Andrew Percy** (Brigg and Goole) (Con) [V]: The Prime Minister has been a good friend of East Yorkshire and northern Lincolnshire. He will know that the Humber is the biggest trading estuary in the country and that it contains the UK’s biggest port. May I therefore encourage him to look closely and favourably at the Humber free port bid as it contains sites in Hull, Goole, Grimsby and the Scunthorpe steelworks, which are really important for the region too?

The Prime Minister: My hon. Friend is absolutely right. He has mounted an excellent campaign and my right hon. Friend the Chancellor will say more about that shortly.

Mike Kane (Wythenshawe and Sale East) (Lab): HS2 reduces journey times from Manchester airport to London from two hours 24 minutes to 59 minutes. With the carbon capture that we would generate and the increased capacity to the west coast main line, what prevents the Government from putting shovels in the ground in the north now?

The Prime Minister: The answer to that is, as anybody who gets a project done on their home or wherever knows, that starting again midway through I am afraid greatly multiplies the cost, but we will go as fast as we possibly can.

[912850] **Danny Kruger** (Devizes) (Con): The last time the UK hosted the G7 in 2013, the then Prime Minister launched the social impact investment taskforce to catalyse a market for private capital seeking social outcomes as well as financial returns, and this country now leads the world in the development of financial innovations for public good. Will my right hon. Friend therefore confirm that the social investment tax relief, which was launched after that summit, will continue beyond April? Will he use this year’s G7 to trumpet to the world the benefit of social investment, social enterprise and the social economy in general?

The Prime Minister: My hon. Friend has long been a campaigner for the wonderful benefits of social enterprise. I visited some of his own, and if he just waits a little longer, he will receive an update on social investment tax relief.

Mr Speaker: I am suspending the House for three minutes to enable the necessary arrangements for the next business to be made.

12.30 pm

Sitting suspended.

Ways and Means

Financial Statement

Madam Deputy Speaker (Dame Eleanor Laing): Before I call the Chancellor of the Exchequer, I remind hon. Members that copies of the Budget resolutions will be available from the Vote Office in Members' Lobby upon the Chancellor's statement being finished, and of course online. I also remind hon. Members that interventions are not taken during the Chancellor's statement, nor during the replies of the Leader of the Opposition and the leader of the Scottish National party. British Sign Language interpretation will continue until the end of the speech of the leader of the Scottish National party, and it is available to watch—quick advert here—on parliamentlive.tv.

12.34 pm

The Chancellor of the Exchequer (Rishi Sunak): Madam Deputy Speaker, a year ago, in my first Budget, I announced our initial response to coronavirus. What was originally thought to be a temporary disruption to our way of life has fundamentally altered it: people are still being told to stay in their homes, businesses have been ordered to close, thousands of people are in hospital. Much has changed, but one thing has stayed the same. I said that I would do whatever it takes. I have done and I will do so. We have announced over £280 billion of support, protecting jobs, keeping businesses afloat, helping families get by.

Despite this unprecedented response, the damage that coronavirus has done to our economy has been acute. Since March, over 700,000 people have lost their jobs, our economy has shrunk by 10%—the largest fall in over 300 years—and our borrowing is the highest it has been outside of wartime. It is going to take this country, and the whole world, a long time to recover from this extraordinary economic situation. But we will recover.

This Budget meets the moment with a three-part plan to protect the jobs and livelihoods of the British people. First, we will continue doing whatever it takes to support the British people and businesses through this moment of crisis. Secondly, once we are on the way to recovery, we will need to begin fixing the public finances, and I want to be honest today about our plans to do that. Thirdly, in today's Budget we begin the work of building our future economy.

Today's forecasts show that our response to coronavirus is working. The Prime Minister last week set out our cautious but irreversible road map to ease restrictions while protecting the British people. The NHS, deserving of immense praise, has had extraordinary success in vaccinating more than 20 million people across the United Kingdom. Combined with our economic response, one of the most comprehensive and generous in the world, this means that the Office for Budget Responsibility is now forecasting, in its words, a

“swifter and more sustained recovery”

than it expected in November. The OBR now expects the economy to return to its pre-covid level by the middle of next year, six months earlier than previously thought. That means growth is faster, unemployment lower, wages higher, investment higher, household incomes higher.

But while our prospects are now stronger, coronavirus has done, and is still doing, profound damage. Today's forecasts make it clear that repairing the long-term damage will take time. The OBR still expects that in five years' time, because of coronavirus, our economy will be 3% smaller than it would have been. Before I share the detail of the OBR's forecasts, let me thank Richard Hughes and his team for their work.

The OBR forecasts that our economy will grow this year by 4%, by 7.3% in 2022, then 1.7%, 1.6% and 1.7% in the last three years of the forecast. The OBR has said that our interventions to support jobs have worked. In July last year, it expected unemployment to peak at 11.9%. Today, because of our interventions, it forecast a much lower peak: 6.5%. That means 1.8 million fewer people are expected to be out of work than previously thought. But every job lost is a tragedy, which is why protecting, creating and supporting jobs remains my highest priority.

Let me turn straightaway to the first part of this Budget's plan, to protect the jobs and livelihoods of the British people through the remaining phase of this crisis.

First, the furlough scheme will be extended until the end of September. For employees, there will be no change to the terms. They will continue to receive 80% of their salary, for hours not worked, until the scheme ends. As businesses reopen, we will ask them to contribute alongside the taxpayer to the cost of paying their employees. Nothing will change until July, when we will ask for a small contribution of just 10%, and 20% in August and September. The Government are proud of the furlough, one of the most generous schemes in the world, effectively protecting millions of people's jobs and incomes.

Secondly, support for the self-employed will also continue until September, with a fourth grant covering the period February to April, and a fifth and final grant from May onwards. The fourth grant will provide three months of support at 80% of average trading profits. For the fifth grant, people will continue to receive grants worth three months of average profits, with the system open for claims from late July.

But as the economy reopens over the summer, it is fair to target our support towards those most affected by the pandemic, so people whose turnover has fallen by 30% or more will continue to receive the full 80% grant. People whose turnover has fallen by less than 30% will therefore have less need of taxpayer support and will receive a 30% grant. I can also announce a major improvement in access to the self-employed scheme. When the scheme was launched, the newly self-employed could not qualify because they had not all filed a 2019-20 tax return. But as the tax return deadline has now passed, I can announce today that, provided they filed a tax return by midnight last night, over 600,000 more people, many of whom became self-employed last year, can now claim the fourth and fifth grants. Over the course of this crisis we will have spent £33 billion supporting the self-employed, one of the most generous programmes for self-employed people anywhere in the world.

Thirdly, we are also extending our support for the lowest paid and the most vulnerable. To support low-income households, the universal credit uplift of £20 a week will continue for a further six months, well beyond the end of this national lockdown. We will provide working tax credit claimants with equivalent support for the

[Rishi Sunak]

next six months. Because of the way that system works operationally, we will need to do so with a one-off payment of £500.

And over the course of this year, as the economy begins to recover, we are shifting our resources and focus towards getting people into decent, well-paid jobs. We reaffirm our commitment to end low pay, by increasing the national living wage to £8.91 from April—an annual pay rise of almost £350 for someone working full time on the national living wage.

My right hon. Friends the Education Secretary and the Work and Pensions Secretary are taking action to give people the skills they need to get jobs or get better jobs. The restart programme—supporting over a million long-term unemployed people. The number of work coaches—doubled. The kickstart scheme—funding high-quality jobs for over a quarter of a million young people. The Prime Minister’s lifetime skills guarantee—giving every adult the opportunity for a fully funded level 3 qualification. And we want businesses to hire new apprentices, so we are paying them more to do it.

Today, I am doubling the incentive payments we give businesses to £3,000—that is for all new apprentice hires, of any age. Alongside investing £126 million of new money to triple the number of traineeships, we are taking what works to get people into jobs and making it better.

One of the hidden tragedies of lockdown has been the increase in domestic abuse, so I am announcing today an extra £19 million, on top of the £125 million we announced at the spending review, for domestic violence programmes to reduce the risk of reoffending and to pilot a network of respite rooms to provide specialist support for vulnerable homeless women.

To recognise the sacrifices made by so many women and men in the armed forces community, I am providing an additional £10 million to support veterans with mental health needs.

On current plans, the funding to support survivors of the thalidomide scandal runs out in 2023. They deserve better than to have constant uncertainty about the future costs of their care, so not only will I extend this funding with an initial down payment of around £40 million; I am today announcing a lifetime commitment, guaranteeing funding forever. I thank the Thalidomide Trust and my hon. Friend the Member for North Dorset (Simon Hoare) for their leadership on this important issue.

As well as supporting people’s jobs, incomes, the lowest paid and most vulnerable, this Budget also protects businesses. We have been providing businesses with direct cash grants throughout the recent restrictions. These grants come to an end in March. I can announce today that we will provide a new restart grant in April to help businesses reopen and get going again. Non-essential retail businesses will open first, so they will receive grants of up to £6,000 per premises. Hospitality and leisure businesses, including personal care and gyms, will open later, or be more impacted by restrictions when they do, so we will give them grants of up to £18,000. That is £5 billion of new grants on top of the £20 billion we have already provided, taking our total direct cash support to business to £25 billion. I pay

tribute to my right hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) for highlighting the particular needs of the personal care sector.

With my right hon. Friend the Culture Secretary, we are making available £700 million to support our incredible arts, culture and sporting institutions as they reopen: backing the UK and Ireland’s joint 2030 World cup bid; launching a new approach to apprenticeships in the creative industries; and extending our £500 million film and TV production restart scheme.

Even with the new restart grants, some businesses will also need loans to see them through. As the bounce back loan and coronavirus business interruption loan scheme programmes come to an end, we are introducing a new recovery loan scheme to take their place. Businesses of any size can apply for loans from £25,000 up to £10 million through to the end of this year, and the Government will provide a guarantee to lenders of 80%.

Last year, we provided an unprecedented 100% business rates holiday in England for all eligible businesses in the retail, hospitality and leisure sectors—a tax cut worth £10 billion. This year, we will continue with the 100% business rates holiday for the first three months of the year—in other words, through to the end of June. For the remaining nine months of the year, business rates will still be discounted by two thirds, up to a value of £2 million for closed businesses, with a lower cap for those who have been able to stay open—a £6 billion tax cut for business.

One of the hardest hit sectors has been hospitality and tourism: 150,000 businesses that employ over 2.4 million people need our support. To protect those jobs, I can confirm that the 5% reduced rate of VAT will be extended for six months to 30 September. Even then, we will not go straight back to the 20% rate; we will have an interim rate of 12.5% for another six months, not returning to the standard rate until April of next year. In total, we are cutting VAT next year by almost £5 billion.

The housing sector supports more than half a million jobs. The cut in stamp duty that I announced last summer has helped hundreds of thousands of people buy a home and supported the economy at a critical time, but due to the sheer volume of transactions that we are seeing, many new purchases will not complete in time for the end of March. I can announce today that the £500,000 nil rate band will not end on 31 March; it will end on 30 June. Then, to smooth the transition back to normal, the nil rate band will be £250,000, double its standard level, until the end of September, and we will return to the usual level of £125,000 only from 1 October.

Even with the stamp duty cut, there is still a significant barrier to people getting on the housing ladder—the cost of a deposit. I am announcing today a new policy to stand behind homebuyers: a mortgage guarantee. Lenders who provide mortgages to home buyers who can afford only a 5% deposit will benefit from a Government guarantee on those mortgages. I am pleased to say that several of the country’s largest lenders, including Lloyds, NatWest, Santander, Barclays and HSBC, will be offering these 95% mortgages from next month. I know that more, including Virgin Money, will follow shortly after. This is a policy that gives people who cannot afford a big deposit the chance to buy their own home. As the Prime Minister has said, we want to turn “generation rent” into “generation buy”.

So, the furlough—extended to September; self-employed grants—extended to September; universal credit uplift—extended to September; more money to tackle domestic violence; bigger incentives to hire apprentices; higher grants for struggling businesses; extra funds for culture, arts and sport; new loan schemes to finance businesses; kickstart, restart and a lifetime skills guarantee; business rates cut; VAT cut; stamp duty cut; and a new mortgage guarantee. This is the first part of a Budget that protects the jobs and livelihoods of the British people.

And, Madam Deputy Speaker, as you can see, we are going long, extending our support well beyond the end of the road map to accommodate even the most cautious view about the time that it might take to exit the restrictions. Let me summarise for the House the scale of our total fiscal response to coronavirus. At this Budget, we are announcing an additional £65 billion of measures over this year and next to support the economy in response to coronavirus. Taking into account the significant support announced at the spending review, this means that our total covid support package this year and next is £352 billion. Once you include the measures announced at the spring Budget last year, including the step change in capital investment, total fiscal support from this Government over this year and next amounts to £407 billion.

Coronavirus has caused one of the largest, most comprehensive and sustained economic shocks that this country has ever faced, and by any objective analysis, this Government have delivered one of the largest, most comprehensive and sustained responses this country has ever seen.

We are using the full measure of our fiscal firepower to protect the jobs and livelihoods of the British people, but the damage done by coronavirus, combined with a level of support unimaginable only 12 months ago, has created huge challenges for our public finances. The OBR's fiscal forecasts show that this year, we have borrowed a record amount: £355 billion. That is 17% of our national income—the highest level of borrowing since world war two. Next year, as we continue our unprecedented response to this crisis, borrowing is forecast to be £234 billion, 10.3% of GDP—an amount so large it has only one rival in recent history: this year.

Without corrective action, borrowing would continue at very high levels, leaving underlying debt rising indefinitely. Instead, because of the steps I am taking today, borrowing falls to 4.5% of GDP in 2022-23, 3.5% in 2023-24 and then 2.9% and 2.8% in the following two years. While underlying debt rises from 88.8% of GDP this year to 93.8% next year, it then peaks at 97.1% in 2023-24 before stabilising and falling slightly to 97% and 96.8% in the final two years of the forecast.

Let me explain why this matters. The amount we have borrowed is comparable only with the amount we borrowed during the two world wars. It is going to be the work of many Governments, over many decades, to pay it back. Just as it would be irresponsible to withdraw support too soon, it would also be irresponsible to allow our future borrowing and debt to rise unchecked. When crises come, we need to be able to act, and we need the fiscal freedom to act—a freedom that you only have if you start with public finances in a good and strong place. The only reason we have been able to respond as boldly as we have to covid is because 10 years of Conservative Governments painstakingly rebuilt our fiscal resilience.

When the next crisis comes, we need to be able to act again. While our borrowing costs are affordable right now, interest rates and inflation may not stay low forever, and just a one percentage point increase in both would now cost us over £25 billion. As we have seen in the markets over the last few weeks, sovereign bond yields can rise sharply. This Budget is not the time to set detailed fiscal rules with precise targets and dates to achieve them by. I do not believe that would be sensible, but I do want to be honest about what I mean by sustainable public finances and how I plan to achieve them.

Our fiscal decisions are guided by three principles. First, while it is right to help people and businesses through an acute crisis like this one, in normal times the state should not be borrowing to pay for everyday public spending. Secondly, over the medium term, we cannot allow our debt to keep rising, and given how high our debt now is, we need to pay close attention to its affordability. Thirdly, it is sensible to take advantage of lower interest rates to invest in capital projects that can drive our future growth.

The question is how we achieve that—how we balance the extraordinary support we are providing to the economy right now with the need to begin the work of fixing our public finances. I have been and always will be honest with the country about the challenges we face, so I am announcing today two measures to begin that work. Let me take each in turn.

Our response to coronavirus has been fair, with the poorest households benefiting the most from our interventions, and our approach to fixing the public finances will be fair too, asking more of those people and businesses who can afford to contribute and protecting those who cannot. So this Government are not going to raise the rates of income tax, national insurance or VAT; instead, our first step is to freeze personal tax thresholds. We have nearly doubled the income tax personal allowance over the last decade, making it the most generous of any G20 country. We will of course deliver our promise to increase it again next year to £12,570, but we will then keep it at this more generous level until April 2026. The higher rate threshold will similarly be increased next year to £50,270 and will then also remain at that level for the same period. Nobody's take-home pay will be less than it is now as a result of this policy, but I want to be clear with all Members that this policy does remove the incremental benefit created had thresholds continued to increase with inflation. We are not hiding it; I am here explaining it to the House, and it is in the Budget document in black and white. It is a tax policy that is progressive and fair.

I will also maintain at their current levels until April 2026 the inheritance tax thresholds, the pensions lifetime allowance, the annual exempt amount in capital gains tax, and for two years from April 2022 the VAT registration threshold, which, at £85,000, will remain more than twice as generous as the EU and OECD averages. We will also tackle fraud in our covid schemes, with £100 million to set up a new HMRC taskforce of around 1,000 investigators as well as new measures and new investment in HMRC to clamp down on tax avoidance and evasion. The full details are set out in the Red Book.

The Government are providing businesses with over £100 billion of support to get through this pandemic, so it is fair and necessary to ask them to contribute to our recovery. So the second step I am taking today is that in

[Rishi Sunak]

2023 the rate of corporation tax paid on company profits will increase to 25%. Even after this change the United Kingdom will still have the lowest corporation tax rate in the G7, lower than that of the United States, Canada, Italy, Japan, Germany and France.

We are also introducing some crucial protections. First, this new higher rate will not take effect until April 2023, well after the point when the Office for Budget Responsibility expects the economy to have recovered, and even then, because corporation tax is only charged on company profits, any struggling business will, by definition, be unaffected. Secondly, I am protecting small businesses with profits of £50,000 or less by creating a small profits rate maintained at the current rate of 19%. This means that around 70% of companies—1.4 million businesses—will be completely unaffected. And thirdly, we will introduce a taper above £50,000 so that only businesses with profits of £250,000 or greater will be taxed at the full 25% rate. That means only 10% of companies will pay the full higher rate. So, yes, it is a tax rise on company profits, but only on the larger, more profitable companies and only in two years' time. I wanted to announce this now, because I think that, for business, certainty matters. For the next two years, I am also making the tax treatment of losses significantly more generous by allowing businesses to carry back losses of up to £2 million for three years, providing a significant cash flow benefit. This means companies can now claim additional tax refunds of up to £760,000. And because of the current 8% bank surcharge, the implied overall tax rate for banks would be too high. So we will review the surcharge to make sure the combined rate of tax on the UK banking sector does not increase significantly from its current level, and to make sure this important industry remains internationally competitive.

These are significant decisions to have taken: decisions no Chancellor wants to make. I recognise that they might not be popular, but they are honest. And let us consider the alternatives. The first is to do nothing: to leave our deficit problem untreated, our debt problem for someone else in the future to deal with. That has never been the way of a Conservative Government, and nor do I believe it can be the way of a responsible Chancellor. Another alternative would be to try and find all the savings we need from public spending. But when we said at the last election that we were the party of public services, people believed us—and they were right to believe us. And when we said we would be the party that invests in new infrastructure, they were right to believe that too. The only other alternative would be to increase the rates of tax on working people—but I do not believe that would be right either. So I believe that our approach, while bold, is compatible with our duty as a fiscally responsible and business-friendly Government. This is the right choice and I am confident it will command public assent.

I have one final announcement on business tax. With the lowest corporation tax rate in the G7, and a new, small profits rate, the UK will have a pro-business tax regime. But we need to do even more to encourage businesses to invest right now. Business investment creates jobs, lifts growth, spurs innovation and drives productivity. For decades we have lagged behind our international peers. Right now, while many businesses are struggling, others have been able to build up significant cash reserves.

We need to unlock that investment; we need an investment-led recovery. So today I can announce the super deduction. For the next two years, when companies invest, they can reduce their tax bill not just by a proportion of the cost of that investment, as they do now, or even by 100% of the cost, the so-called full expensing some have called for; with the super deduction they can now reduce their tax bill by 130% of the cost. Let me give the House an example. Under the existing rules, a construction firm buying £10 million of new equipment could reduce their taxable income, in the year they invest, by just £2.6 million. With the super deduction, they can now reduce it by £13 million. We have never tried this before in our country. The OBR has said it will boost business investment by 10%—around £20 billion more per year. It makes our tax regime for business investment truly world leading, lifting us from 30th in the OECD to first. And, worth £25 billion during the two years it is in place, this will be the biggest business tax cut in modern British history: bold, unprecedented action to get companies investing, creating jobs, and driving our economic recovery.

Let me now turn to duties. This is a tough time for hospitality, so I can confirm that the planned increases in duties for spirits such as Scotch whisky, wine, cider and beer will all be cancelled. All alcohol duties frozen for the second year in a row—only the third time in two decades. And right now, to keep the cost of living low, I am not prepared to increase the cost of a tank of fuel, so the planned increase in fuel duty is also cancelled.

This Budget protects the jobs and livelihoods of the British people. This Budget is honest about the challenges facing our public finances and how we will begin to fix them. And this Budget does one other thing: it lays the foundations of our future economy—the third part of our plan. If we want a better future economy, we have to make it happen. We have to do things that have never been done before.

The world is not going to be any less competitive after coronavirus, so it is not enough to have some general desire to grow the economy; we need a real commitment to green growth. It is not enough to have some general desire to increase productivity; we need a real commitment to give every business, large or small, the opportunity to grow, innovate and succeed. It is not enough to have a general desire to create jobs; we need a real commitment to create jobs where people are and to change the economic geography of this country. And we cannot strengthen our domestic economy without remaining a global, outward-looking nation. This future economy will not be created in any one Budget, but today we lay the foundations.

Our future economy needs investment in green industries across the United Kingdom, so I can announce today the first ever UK infrastructure bank. Located in Leeds, the bank will invest across the UK in public and private projects to finance the green industrial revolution. Beginning this spring, it will have an initial capitalisation of £12 billion and we expect it to support at least £40 billion of total investment in infrastructure. I know that my right hon. Friend the Member for Pudsey (Stuart Andrew) will particularly welcome the location of this new institution.

Offshore wind is an innovative industry where the UK already has a global competitive advantage, so we are funding new port infrastructure to build the next generation of offshore wind projects in Teesside and Humberside. In November, I announced that we would

launch a world-leading sovereign green bond. Today, we are going further, announcing a new retail savings product to give all UK savers the chance to support green projects, as my hon. Friend the Member for North East Bedfordshire (Richard Fuller) has campaigned for.

We have also asked Dame Clara Furse to establish a new group to position the City as the global leader for voluntary, high-quality carbon offset markets. Underpinning all this will be an updated monetary policy remit for the Bank of England. It reaffirms its 2% target, but now it will also reflect the importance of environmental sustainability and the transition to net zero.

Our future economy will also address our productivity problem and support small business. Too often, smaller firms do not have the time or resources to acquire the extra skills and training they need to be more efficient, more digital and more productive. Thanks to Be the Business, we have made a good start at supporting these firms. Today, the Business Secretary and I are going further, with a new set of UK-wide schemes, Help to Grow.

First, Help to Grow: Management will help tens of thousands of small and medium-sized businesses get world-class management training. Dozens of business schools across the UK will offer a new executive development programme with mentoring and peer learning, and Government will contribute 90% of the cost—a real commitment to learn more, make more and earn more.

Secondly, Help to Grow: Digital. With the pandemic, many businesses have moved online. This has been a challenge, but we want to turn it into an opportunity. We are going to help small businesses develop digital skills by giving them free expert training and a 50% discount on new productivity-enhancing software worth up to £5,000 each. Both programmes will commence by the autumn, and I would urge interested businesses to register today on Gov.UK/HelpToGrow. That is a real commitment to help over a hundred thousand businesses become more innovative, more competitive and more profitable.

A future economy requires us to be at the forefront of the next scientific and technological revolutions. Becoming a scientific superpower is something we can be; I do not think that is hubristic or unrealistic. Our incredible vaccination programme has shown the world what this country is capable of, so I am providing an extra £1.6 billion today to continue the roll-out and improve our future preparedness.

I want to make the UK the best place in the world for high growth, innovative companies, so I am launching two wide-ranging consultations today to make sure our research and development tax reliefs—and our enterprise management incentives—are internationally competitive.

My right hon. Friend the Home Secretary knows that a scientific superpower needs scientific superstars, so together we are announcing ambitious visa reforms aimed at highly skilled migrants, including a new, unsponsored points-based visa to attract the best and most promising international talent in science, research and tech; new, improved visa processes for scale-ups and entrepreneurs, and radically simplified bureaucracy for high skilled visa applications.

As well as support for innovation and access to talent, high-growth firms need access to capital. To do that, we are taking steps to give the pensions industry more flexibility to unlock billions of pounds from pension funds into innovative new ventures; launching a new

Future Fund Breakthrough to help fill the scale-up funding gap; and changing the rules to encourage more companies to list here. Let me thank Lord Hill for leading this landmark review. The Foreign, Commonwealth and Development Office will shortly be consulting on his proposals.

Our future economy depends on remaining a United Kingdom. Millions of families and businesses in Scotland, Wales and Northern Ireland have contributed to and benefited from our coronavirus response. Central to that has been a Treasury that acts for the whole United Kingdom. That is not a political point; it is an undeniable truth. The majority of today's Budget measures will apply directly to people in all four nations of the UK. I am taking further specific steps with three accelerated Scottish city and growth deals in Ayrshire, Argyll and Bute, and Falkirk; three more in north Wales, mid-Wales, and Swansea bay; funding for the Holyhead hydrogen hub, the Global Centre of Rail Excellence in Neath Port Talbot and the Aberdeen energy transition zone, as well as the global underwater hub and the North sea transition deal, along with the first allocations of the £400 million new deal for Northern Ireland.

Through the Barnett formula, the decisions I am taking in this Budget also increase the funding for the devolved Administrations by £1.2 billion in Scotland, £740 million in Wales, and £410 million for the Northern Ireland Executive.

Our future economy demands a different economic geography. If we are serious about wanting to level up, that starts with the institutions of economic power. Few institutions are more powerful than the one I am enormously privileged to lead—the Treasury. Along with the other critical economic Departments, including the Department for Business, Energy and Industrial Strategy, the Department for International Trade and the Ministry of Housing, Communities and Local Government, we will establish a new economic campus in Darlington. I know my hon. Friend the Member for Darlington (Peter Gibson) will particularly welcome this announcement.

Redrawing our economic map means rebalancing our economic investment. I have already revised the Treasury's Green Book, and set out the highest sustained levels of public investment across the UK since the 1970s. But we can go further. I am announcing today over £1 billion for 45 new towns deals, from Castleford to Clay Cross, Rochdale to Rowley Regis, and Whitby to Wolverhampton. I pay tribute to local leaders—like the brilliant Mayor for the West Midlands, Andy Street—who are making the case for investment in their area.

We are creating a £150-million fund to help communities across the UK take ownership of pubs, theatres, shops or local sports clubs at risk of loss, putting more power in the hands of local people. I am also launching the first round of the levelling up fund today, inviting applications from local areas across the United Kingdom. I am grateful to my right hon. Friends the Transport Secretary and the Housing, Communities and Local Government Secretary for their support on this crucial initiative.

I have one final announcement that exemplifies the future economy. It is a policy on a scale that we have never done before—a policy to bring investment, trade, and, most importantly, jobs, right across the country, to replace the industries of the past with green, innovative,

[*Rishi Sunak*]

fast-growing new businesses, to encourage free trade and reinforce our position as an outward-looking, trading nation that is open to the world, and a policy that we can only pursue now that we are out of the European Union: freeports. Freeports are special economic zones with different rules to make it easier and cheaper to do business. They are well established internationally, but we are taking a unique approach.

Our freeports will have simpler planning to allow businesses to build; infrastructure funding to improve transport links; cheaper customs with favourable tariffs, VAT or duties; and lower taxes, with tax breaks to encourage construction, private investment and job creation. It will be an unprecedented economic boost across the United Kingdom. Freeports will be a truly UK-wide policy, and we will work constructively with the Scottish, Welsh and Northern Irish Administrations.

Today, I can announce the eight freeport locations in England: East Midlands airport; Felixstowe and Harwich; Humber; Liverpool city region; Plymouth; Solent; Thames; and Teesside. That is eight new freeports in eight English regions, unlocking billions of pounds of private sector investment, generating trade and jobs up and down the country. I commend Members across the House for their campaigning, but in particular my hon. Friends the Members for Redcar (Jacob Young), for Cleethorpes (Martin Vickers) and for Great Grimsby (Lia Nici), as well as inspiring local leaders like Ben Houchen, the Mayor of Tees Valley.

Let us take just one of those places—Teesside. In the past, it was known for its success in industries like steel. Now, when I look to the future of Teesside, I see old industrial sites being used to capture and store carbon, vaccines being manufactured, offshore wind turbines creating clean energy for the rest of the country—all located within a freeport with a Treasury just down the road and a UK Infrastructure Bank only an hour away. I see innovative, fast-growing businesses hiring local people into decent, well-paid, green jobs. I see people designing, manufacturing and exporting incredible new products and services. I see people putting down roots in places that they are proud to call home. I see a people optimistic and ambitious for their future. That is the future economy of this country.

And so, while this last year has been a test unlike any other, that which we are, we are. The fundamentals of our character as a people have not changed: still determined,

still generous, still fair. That is what got us through the last year; it is what will guide us through the next decade and beyond. This time last year, we set out to deliver on the promises we made to the British people. But the most important promise was implicit and, in truth, is made by every Government, irrespective of their politics—and that is to do what must be done when the danger is imminent and when no one else can.

Today, we set out a plan to protect the jobs and livelihoods of the British people, but the promises that underpin that plan remain unchanged from those we pledged ourselves to 12 long months ago: to unite and lead; to level up; to create a world-class education system; to keep our streets safe; to keep our NHS strong; to support the most vulnerable; to reform and improve public services; to grow the economy; to spread prosperity; to extend the awesome power of opportunity to all corners of the United Kingdom; and, yes, to be honest and fair in all that we do.

An important moment is upon us, a moment of challenge and of change: of difficulties, yes, but of possibilities too. This is a Budget that meets that moment and I commend it to the House.

PROVISIONAL COLLECTION OF TAXES

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

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

- (a) Repeal of provisions relating to the Interest and Royalties Directive (motion no. 31);
- (b) Stamp duty land tax (housing co-operatives etc) (motion no. 44);
- (c) Annual tax on enveloped dwellings (housing co-operatives) (motion no. 45);
- (d) Customs duty (removal of steel to Northern Ireland) (motion no. 52).—(*Rishi Sunak.*)

Question agreed to.

Madam Deputy Speaker (Dame Eleanor Laing): We now come to the motion entitled “Income Tax (Charge)”. It is on this motion that the debate will take place today and on the succeeding days. The questions on this motion and on the remaining motions will be put at the end of the Budget debate on Tuesday 9 March. I call the Chancellor of the Exchequer to move the motion formally.

Budget Resolutions and Economic Situation

INCOME TAX (CHARGE)

Motion made, and Question proposed,

That income tax is charged for the tax year 2021–22.

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.—(*Rishi Sunak.*)

1.27 pm

Keir Starmer (Holborn and St Pancras) (Lab): After 11 months in this job, it is nice, finally, to be standing opposite the person actually making decisions in this Government. The trouble is that it is those decisions that have left us with the mess we find today: the worst economic crisis of any major economy in the last 12 months; unemployment at 5% and, as the Chancellor said, forecast to rise to 6.5%; and debt at over £2 trillion. I am sure this Budget will look better on Instagram. In fact, this week's PR video cost the taxpayer so much I was half-expecting to see a line in the OBR forecast for it, but even the Chancellor's film crew will struggle to put a positive spin on this.

After the decisions of the last year and the decade of neglect, we needed a Budget to fix the foundations of our economy to reward our key workers, to protect the NHS and to build a more secure and prosperous economy for the future. Instead, what we got was a Budget that papered over the cracks rather than rebuilding the foundations, a Budget that shows the Government do not understand what went wrong in the last decade or what is needed in the next. The Chancellor may think that this is time for a victory lap, but I am afraid this Budget will not feel so good for the millions of key workers who are having their pay frozen, the businesses swamped by debt, the families paying more in council tax and the millions of people who are out of work or worried about losing their job. Although the Chancellor spoke for almost an hour, we heard nothing about a long-term plan to fix social care. The Chancellor may have forgotten about it, but the Labour party never will.

The British people will rightly ask, why has Britain suffered a worse economic crisis than any major economy? The answer is staring us in the face. First are the Chancellor's decisions in the last year. This is the Chancellor who blocked a circuit break in September. Ignoring the science, he told the British people to "live with" coronavirus and "live without fear". A few weeks later, we were forced into an even longer and more painful lockdown. Whatever spin the Chancellor tries to put on the figures today, as a result of his decisions, we have suffered deeper economic damage and much worse outcomes.

That is nothing compared with the decade of political choices that meant that Britain went into this crisis with an economy built on insecurity and inequality. The Chancellor referred to the last 10 years. As a result of those 10 years, we have an economy in which 3.6 million people are in insecure work, wages have stagnated for a decade and over 4 million children are living in poverty. Critically, we went into this crisis with 100,000 unfilled posts in the NHS and after social care had been ignored

and underfunded for a decade. Government Members voted for all that. Today's Budget does not even recognise that, let alone rectify it.

It is clear that the Chancellor is now betting on a recovery fuelled by a consumer spending blitz. In fairness, if my next door neighbour was spending tens of thousands of pounds on redecorating their flat, I would probably do the same. [*Laughter.*] But the central problem in our economy is deep-rooted insecurity and inequality, and this Budget is not the answer to that. The Chancellor barely mentioned inequality, let alone try to address it.

Rather than the big transformative Budget we needed, this Budget simply papers over the cracks. If this had been a Budget for the long term, it would have had a plan—a plan to protect our NHS; a plan to fix social care. I can tell the House this: a Labour Budget would have had the NHS and care homes front and centre. But this Budget is almost silent on those questions. If this had been a Budget to rebuild the foundations, it would have fixed our broken social security system. Instead, the Chancellor has been dragged, kicking and screaming, into extending the £20 uplift in universal credit, but only for a few months—once again, deferring the problem. As a result, insecurity and the threat of losing £1,000 a year still hang over 6 million families. [*Interruption.*] They ask what we would do. We would keep the uplift until a new, fairer system could be put in place.

If this Budget was serious about rebuilding our shattered economy, it would have included a credible plan to tackle unemployment. The Chancellor said very little about the kickstart scheme, no doubt because—

The Prime Minister (Boris Johnson): Rubbish.

Keir Starmer: The Prime Minister says, "Rubbish." That is no doubt because the kickstart scheme is helping only one in 100 eligible young people—rubbish is the right word, Prime Minister. In six months, it has supported just 2,000 young people, yet youth unemployment is set to reach 1 million. Like so much of this Budget, the Chancellor's offer is nowhere near the scale of the task.

Of course, the biggest challenge for this country is the climate emergency. The Chancellor just talked up his green credentials, but his Budget stops way short of what was needed or what is happening in other countries. This Budget should have included a major green stimulus, bringing forward billions of pounds of investment to create new jobs and new green infrastructure. Instead, the Government are trying to build a new coalmine, which we now learn might not even work for British Steel. If anything sums up this Government's commitment to a green recovery and jobs for the future, it is building a coalmine that we cannot even use.

If the Government were serious about tackling insecurity and helping those most at risk from covid, this Budget would have fixed the broken system of statutory sick pay and, at the very least, filled the glaring holes in isolation payments. This is not difficult to fix. The Government should just make the £500 isolation payment available to everyone who needs it. That would be money well spent, and, a year into the pandemic, it is a disgrace that it is not made available.

If the Government were serious about fixing the broken housing market, they would have announced plans for a new generation of genuinely affordable council houses. Instead, 230,000 council homes have been lost

[Keir Starmer]

since 2010, yet the Chancellor focused today on returning to subsidising 95% of mortgages. I know what Members are thinking: “I’ve heard that somewhere before.” Perhaps it was because the Prime Minister announced it five months ago in his conference speech? No, I do not think anybody heard that. I remember now: it is what Osborne and Cameron came up with in 2013. What did that do? It fuelled a housing bubble, pushed up prices, and made owning a home more difficult—so much for generation buy! I have been saying for weeks that this Budget will go backwards, but I did not expect the Chancellor to lift a failed policy from eight years ago.

This Budget fell far short of the transformative change that we need to turbo-charge our recovery for the decades to come. There was no credible plan to ease the burden of debt hanging over so many businesses, which is estimated at £70 billion. This Budget asks businesses to start paying that money back whether they are profitable or not. That affects millions of businesses. It will hold back growth, because businesses will have to pay back money they never wanted to borrow, instead of being able to invest in their futures and create jobs in their local areas. It is both unfair and economically illiterate.

This Budget also falls far short of what was needed to support the self-employed and freelancers, unless, of course, they are one of the Chancellor’s photographers. After a year of inaction, we will look at the details of what the Chancellor announced, but, from the figure of 600,000 that he mentioned, it certainly looks like millions will still be left out in the cold.

The Chancellor’s one nominally long-term policy was in his references to levelling up, but what does that actually look like? It is not the transformative shift in power, wealth and resources that we need to rebalance our economy. It is not the bold long-term plan that we need to upskill our economy, to tackle educational attainment or to raise life expectancy. It certainly is not a plan to focus Government resources on preventive services and early years. For the Chancellor, levelling up seems to mean moving some parts of the Treasury to Darlington, creating a few free ports, and re-announcing funding. That is not levelling up; it is giving up.

Instead of putting blind faith in free ports, the Chancellor would be better served by making sure that the Government’s Brexit deal actually works: for Britain’s manufacturers, now facing more red tape when they were promised less; for our financial services, still waiting for the Chancellor to make good on his promises; for the small businesses and fishing communities, whose goods and produce are now left unsold in warehouses; and for our artists and performers, who just want to be able to tour.

Turning to other parts of the statement, we will wait for the detail about the so-called super deduction, but it is unlikely to make up for the 10 years when the levels of investment growth have trailed so many other countries. Of course we welcome the creation of the national infrastructure bank, which is something for which we have called for years, although it would have been better if the Government had not sold off the Green Investment Bank in the first place. We also welcome the introduction of green saving bonds. I have to say what a good idea it is to introduce a new set of recovery bonds.

The trouble is that the scale of what the Chancellor announced today is nowhere near ambitious enough. The long-overdue commitments to extend furlough, business rate relief and the VAT cut on hospitality are welcome, but there is no excuse for holding the announcement of that support back until today, and of course we will look at the detail.

There are very few silver linings in this Budget. The IMF and the OECD have said that now is not the time for tax rises. We are in the middle of a once-in-300-years crisis. Our economy is still shut and our businesses are on life support, so it is right that corporation tax is not rising this year or next. In the long run, corporation tax should go up. The decade-long corporation tax experiment by this Government has failed, but no taxes should be raised in the teeth of this economic crisis, so it is extraordinary that the Chancellor is ploughing ahead with a £2 billion council tax rise affecting households across the country. Why is he doing that when every economist would tell him not to? Perhaps we find the answer in this week’s *Sunday Times*, which quoted a source saying that the Chancellor’s argument was:

“Let’s do it all now as far away from the election as possible.”

The *Telegraph* on 27 January reported:

“Raising taxes now means they can be reduced ahead of the next election, Rishi Sunak tells Tory MPs”.

The *Mail* in September reported that the Chancellor was to hike taxes and then lower them before the next election. Let me be crystal clear: the proper basis for making tax decisions is the economic cycle, not the electoral cycle.

Behind the spin, the videos and the photo ops, we all know that the Chancellor does not believe in an active and enterprising Government. We know he is itching to get back to his free market principles and to pull away support as quickly as he can. One day, these restrictions will end. One day we will all be able to take our masks off, and so will the Chancellor, and then we will see who he really is. This Budget sets it up perfectly, because this is a Budget that did not even attempt to rebuild the foundations of our economy or to secure the country’s long-term prosperity. Instead, it did the job the Chancellor always intended: a quick fix, papering over the cracks.

The Conservatives spent a decade weakening the foundations of our economy. Now they pretend they can rebuild it, but the truth is that they will not confront what went wrong in the past and they have no plan for the future.

Madam Deputy Speaker (Dame Eleanor Laing): We now go by video link to the Chairman of the Treasury Committee.

1.43 pm

Mel Stride (Central Devon) (Con) [V]: I broadly welcome this Budget, although I say that being aware that the devil is always in the detail of Budgets. We very much look forward to welcoming my right hon. Friend the Chancellor to the Treasury Committee on Thursday next week to look at that detail in more detail.

I totally applaud the measures that the Chancellor has taken in extending the bridge of support—the bridge between the crisis and the recovery. I think the measures he has taken around furlough, support for the self-employed and the extension of the VAT reduction, business rate relief and so on are all most welcome. I also very much

welcome, as I and the Treasury Select Committee have been pressing for them for some time, the targeted elements that he has introduced.

As we come through this recovery, there is no doubt that certain parts of the economy will pick up quicker than others. Some businesses will do better than others, so I welcome the 30% turnover threshold that my right hon. Friend has introduced, so that he can more accurately target the relief where it is needed. That goes also for what I understand of his announcements on grants, and of course the VAT reduction extension that will help particularly hard-pressed sectors. I also welcome the investment that he has announced in areas of the country, many of which will have suffered particularly during the crisis. I think that is also welcome targeting.

If I could turn briefly to the so-called excluded—those who have fallen through the gaps of support hitherto—I am a little disappointed not to have heard something by way of support for those directors working through their own limited companies, paying themselves by way of dividend, yet not having those dividends counted towards their entitlement for furlough. There have been new ideas explored by the Committee, and I would hope, even at this late stage, that the Chancellor will consider some of those ideas with the Committee next week. I was, however, extremely pleased to see that the new self-assessment tax information that has been taken on board—right up until, I think the Chancellor said, last night—will be taken into account in helping many of those who would otherwise have fallen through the gaps in support, some 600,000 in total.

I want to focus on three important areas for business and jobs, and comment on what the Chancellor had to say in that respect. The first is corporate debt. The situation is that the data shows that larger businesses have a great deal of cash in the bank, and it is perhaps not surprising that they have been cautious, that they have received quite a lot of support from Government and, of course, that a lot of them have not been investing. However, among small and medium-sized enterprises the picture is less clear. I have a concern that many of those businesses will struggle with the level of the debt that they have, that they will not be growing when we want them to be creating the jobs of the future and that they will be focusing on de-leveraging their balance sheets. I would like to see something from the Chancellor as to how that particular problem might be addressed. If it is not, the risk is that many of these SMEs will go out of business and markets will become more concentrated and less competitive as a consequence.

Secondly, on investment, I was hugely encouraged by what my right hon. Friend said about the super deduction. My own view was that there should be an increase in the annual investment allowance. It seems to me that this goes significantly beyond that. The devil will be in the detail, but certainly, if the kind of projections for investment that he has just outlined by way of the OBR's figures are correct, as I understood them, this will be a huge shot in the arm for corporate UK and very welcome. I welcome the three-year loss carry-back arrangements—also something the Committee has pressed for.

My third point is around skills. I have been very impressed with all the announcements that have been made around encouraging apprenticeships, and there was more in the Budget statement just now. On the

kickstart scheme, it is imperative that we get this right and that we maximise the efficiency of the transfer of parts of the labour force from those parts of the economy and businesses that are contracting to those that are expanding. I think the Treasury needs to play a very proactive role in making sure that those schemes are successful.

One of the big tests I set in my mind for my right hon. Friend's Budget was to what degree he navigated successfully the requirement not to put up taxes too early and choke off growth, but at the same time making it very clear to the markets that he and the Government are serious about dealing with the deficit and debt in the more medium term. I have to say that, once again, I have been pretty impressed with what I have heard. I want to see the detail. However, it seems to me that the tax increases and the threshold freezes that my right hon. Friend has announced do not kick in straightaway but he has charted a clear road map for how those taxes and thresholds will be dealt with between now and the end of this Parliament.

If I could just say, on the issue of corporation tax, that it is quite a hike from 19% to 25%. However, we still will remain internationally competitive, and I believe that President Biden, during his campaign for the presidency, suggested US rates might rise from 21% to 28%. So I think, on balance, this is a reasonable move, given that none of the possibilities is particularly palatable, and I welcome the carve-out for small businesses through the small profit rate.

It was pleasing to hear from my right hon. Friend that the OBR's current projections have improved, and that we are hopefully going to get back to pre-pandemic levels of economic output six months earlier than was thought in November. But of course we still, as he has identified, face a huge challenge going forward, not just around covid, but with the issue that we will have a smaller economy and less taxes that will be able to be raised. Of course, we have demographic pressures going way into the future, with an increasingly elderly population and the pressures that will put on our finances. My right hon. Friend knows that it is critical that we deal with these pressures in a timely manner, or interest rates will rise—and, as he has stated, a 1% rise would mean an eye-watering £25 billion increase in the cost of servicing our debt.

That brings me to the principles that my right hon. Friend has set out today: not borrowing to fund day-to-day expenditure at some point in the future; and having an eye to seeing the level of debt as a percentage of GDP decreasing over time. Those are welcome signals from my right hon. Friend.

I want to turn briefly to an issue that I think is an underestimated threat that has not been discussed enough in an economic context: a return of inflation. Andy Haldane, the Bank of England's chief economist, has pointed to this risk recently. We know that if inflation increases and spikes, the Bank of England would need to tighten monetary policy to try to keep inflation under control. We would have bond markets in which the Government and the Bank of England were potentially both sellers, with increased upward pressure on interest rates and all that would follow.

Inflation might come through increased friction in global trade, and we have seen increased friction in trade with the EU27 as a consequence of Brexit. It could

[Mel Stride]

come through the exchange rate, although recent movements have been in a positive direction, as the virus is being clamped down on and our prospects have improved relative to other economies. Inflation could also come through increases in energy costs and the price of oil, or indeed the unwinding of some of the tax cuts, for example those relating to VAT.

But inflation could also come through the interplay between the supply and demand sides of the economy as we recover. On the supply side, it remains uncertain how quickly companies will bounce back. We know that many of them have been severely damaged. On the demand side, it is also the case that we will not know at this stage the extent to which consumers will re-engage with the economy in the way they did before the pandemic, even though the virus is diminishing. We also do not know what will happen to the huge amount of effectively enforced savings as people have been unable to engage in the economy in the usual fashion—perhaps up to £200 billion or £300 billion by the summer, the Bank of England has suggested. If a lot of that goes back into the economy quickly, it will have a huge stimulus effect. If very little does, clearly the opposite will be the case.

It is therefore absolutely right that my right hon. Friend is ready and prepared to use the fiscal levers as appropriate over the coming months. If he comes back to the House of Commons many times to do so, I think that should be seen as a position of strength, rather than weakness. I wish him well. The Treasury Committee will continue to be critical of him where appropriate, but also supportive in our common endeavour of putting the economy back on track.

In conclusion, I broadly welcome this Budget. It comes against the backdrop of one of the worst economic crises outside of wartime. Yet there is hope that springs from the past, and the strength that we held going into this crisis, of strong and stable financial institutions, record levels of employment, and hard-won improvements in our public finances. But now hope springs also, it seems to me, from the future: from the thousands of men and women—our scientists, health workers and volunteers—who appear to be on the brink of little short of a miracle, the wholesale turnaround in our country's fortunes due to vaccination. Therefore, in broad terms I welcome my right hon. Friend's Budget today, but I conclude by supporting each and every one of them.

Madam Deputy Speaker (Dame Eleanor Laing): Before I call the leader of the Scottish National party, I should give a slight warning that there will be an initial time limit on Back-Bench speeches of seven minutes, but that will quite soon be reduced to five minutes, and quite soon after that to three minutes, if we are to have a chance of allowing everyone to speak. For the moment, it will be seven minutes.

1.54 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): I should thank the Chancellor for advance sight of his statement but, of course, much of it—against the usual protocol—has already been leaked to the media. It is perhaps worth stating that what is contained in the Budget should be announced in this House and should not be pre-announced in the media.

The Budget comes at a critical moment—a moment when people right across these islands can have faith that the end of the pandemic is finally in sight. Just as millions of people are now being injected with the hope of the vaccine, this Budget should have injected the economy with the stimulus package that it desperately needs.

The Institute for Public Policy Research advised the Government to “boost...like Biden”, to generate an investment-led recovery. Instead, the Chancellor has produced a Budget that offers people the bare minimum—a Budget that completely fails to take responsibility for the bollocks that they have made of Brexit. Indeed, when we look at the Office for Budget Responsibility forecasts and the years 2023, 2024 and 2025, we see a forecast of 1.7%, 1.6% and 1.7% growth. Where is the ambition? This is a Budget that has a poverty of ambition.

When we contrast the response of the US Administration in that fiscal stimulus of President Biden and put that in a historical context, what we see, over the course of the last decade, is that US GDP growth has been 10% greater than that of the UK, and it is that failure to deliver growth that is imperilling our national finances. It is that lack of ability to deliver growth that holds back tax receipts. It is that lack of ability to deliver growth that constrains the opportunities for people, that holds back the growth in productivity, that holds back the growth in wages, that leaves so many of our people living in poverty.

Between the lines of the statement today, there were also the surest of signals. The conversion of this Prime Minister and this Chancellor to increase public spending was only ever temporary. Today, we have a Tory Chancellor returning to type. He is clearly itching to turn off the state spending taps. This Budget is carefully laying the ground for more Tory austerity, a decade more of Conservative cuts, because the Tories do not regret—*[Interruption.]* I can see the Chancellor shaking his head, but he had the opportunity today to continue the £20 uplift to universal credit and make it permanent—and not just make that permanent to give some hope for those who depend on universal credit, but to extend it to legacy benefits. What did we get instead? We got a commitment to contain it—to leave it in place—for a further six months. In other words, when the restrictions on lockdown have come off, the £20 uplift to universal credit comes off as well. Where is the compassion and dignity for those who need that support? They will continue to need that support right after we come out of this crisis. That is the Tory party that has reverted to type.

Of course, the Tories do not regret the austerity that they have inflicted over the last decade. They are nostalgic for it. We are told by the Chancellor that there have to be cuts to spending. We are told that there have to be tax increases, but we know that he is deliberately setting out a false choice, because we heard nothing today about the need not just here, but right around the world to create the circumstances for investment-led growth. Where is the agenda that the UK is going to take to the G7 to make sure that we work collectively to deliver a better future for everybody out of this pandemic? Every credible economist knows that to protect and secure the public finances, we must create the circumstances for recovery for growth and that this has to be investment-led.

As we look forward to the months ahead, we need to deliver a vision of a better future and we need leadership to do this. So, for the people of Scotland this Budget comes at a critical moment of choice. Post-Brexit and post-pandemic, Scotland now has a choice of two futures: the long-term damage of Brexit and more Tory austerity cuts, or the opportunity to protect our place in Europe and to build a strong, fair and green recovery with independence. This May, every citizen will cast their democratic decision on who they trust to rebuild our society and our economy in the wake of the pandemic. It will be a clear choice: Scotland's future in Scotland's hands, or in the hands of the Tories and this Prime Minister and Chancellor. Let's just say that we are looking forward to the verdict of the Scottish people.

Let me turn to the immediate priorities that this Budget should have dealt with. I am sorry to say that the Chancellor stood up today and doubled down on exactly the same mistakes that he has been making throughout the pandemic. Temporary extensions and temporary support can only ever mean a temporary reprieve for those millions who have been crippled by uncertainty for months. The Chancellor's temporary timelines for pandemic financial support completely contradict his own Government's policy. On the one hand, the UK Government rightly tell people that they will follow data not dates when it comes to public health, but when it comes to financial support, Tory policy is defined by dates, deadlines and cliff edges.

Businesses and workers on furlough needed certainty last March and last autumn, and they need it now. Frankly, Chancellor, to expect businesses that have been closed to make increasing contributions to furlough is simply unacceptable when they do not have the cash flow to pay for it. More temporary extensions and the tapering off of furlough fall well short of what businesses need. The Chancellor should make the commitment that full furlough support at 80% wage support will remain available to businesses as long as restrictions remain in place—no deadlines, no dates, no ifs and no buts. That is one clear commitment that would immediately stabilise support for every struggling sector.

The cut-off date for entry into job retention schemes should also be revised, ensuring that support is available to the growing numbers who have started new jobs since the end of last October. We welcome the VAT cut, but it should have been retained at 5% for much longer, and it should be extended to businesses such as hair and beauty businesses, which also need the support. While we welcome the ongoing support for rates relief, it does not go as far as the Scottish Government have in providing 100% rates relief for the calendar year across the retail, hospitality, leisure and aviation sectors.

One of my biggest criticisms of this Budget is that it completely fails to recognise the sheer scale of the other pandemic our communities are suffering—the poverty pandemic. After a decade of underinvestment and Tory cuts, the last year has deepened the UK's poverty crisis and widened gaps in inequality. Yes, many have been in a position to save and build up financial deposits during these lockdowns, but Chancellor, millions more are literally struggling to survive. Some 14.2 million UK adults are now categorised as having low financial resilience. That is an increase of 3.5 million since the beginning of the pandemic. Let me take an example from my own constituency. In January 2020, the community

food bank in south Skye and Lochalsh delivered 25 food parcels in one month. In December 2020, that same food bank was delivering 200 bags of food per week.

Last year, this Government were forced into providing a £20 uplift for universal credit. It was literally a lifeline for millions. It was needed then, and it is needed now. Six million people are now claiming universal credit—a 98% increase since the pandemic began. Today, this Tory Chancellor is telling those 6 million people not to get too comfortable with that lifeline, and that in a matter of months it will be gone. Where is the compassion, Chancellor? Where is the support for people? Does he really think that this is good enough and that it is acceptable that so many people—so many families and so many children—have been left in poverty? He can avert his eyes and look away because he does not want to know the harsh reality. The Chancellor does not understand what it is like to be poor in Boris Johnson's Brexit Britain. Chancellor, do the right thing. This should never be temporary; it should be permanent, and let us make sure, out of this Budget, that that policy is changed. Making the £20 universal credit uplift permanent must also extend to legacy benefits. And Chancellor, while you are at it, finally abolish the cruel benefit cap and end the two-child limit.

The Chancellor should also be using this Budget to support those most impacted throughout the pandemic. The Women's Budget Group found that women were twice as likely to be key workers as men but are far less likely to be eligible for statutory sick pay. It also found that young women were disproportionately likely to work in the sectors that were hardest hit by previous lockdowns. The Chancellor could support these women by finally introducing a real living wage and a liveable sick pay for all.

We know that after a decade of Tory decisions, child poverty has risen to alarming levels. The Joseph Rowntree Foundation and baby bank charity Little Village found that 4.2 million children are living in poverty, including 1.3 million babies and children under the age of five. This is supposed to be a civilised society. It is supposed to be a caring society. The Chancellor has just congratulated himself on his Budget. Chancellor, where is the plan to get these 4.2 million children and their families out of poverty? Where is the plan to get these young children and babies out of poverty? Where is the sense of responsibility from a Government? What we can see is a Chancellor who is not even prepared to engage; he is looking away—and no wonder, because this Chancellor should be embarrassed by what he has done. This Government need to wake up to the scale of the child poverty crisis, and they could start by matching the Scottish Government's game-changing £10 child payment.

While we are on the subject of fighting poverty, let me say how disappointed I was by the failure of the Labour shadow Chancellor at the weekend to state her party's clear support for making the universal credit uplift permanent. In the space of a week, Labour told us that its position on wasting billions on Trident nuclear weapons on the Clyde is non-negotiable but cannot even say what its position is on keeping this lifeline for struggling families. We know we are living in strange times when George Galloway pledges his support for the Tories and the Labour party sits on the fence when it comes to Tory cuts. We would nearly feel sorry for the new Scottish Labour leader, severed at the knees by his Westminster bosses before he even gets started.

[Ian Blackford]

Not only does this Budget signal the return of Conservative cuts; it also confirms that the Chancellor continues to snub the excluded. In time, when people reflect back on this period, it will be a damning indictment of this Tory Government that they were prepared to coolly ignore 3 million of their own citizens during a pandemic.

The Prime Minister: You talk such utter rubbish.

Ian Blackford: Well, well, well, Prime Minister—try telling that to the 3 million people who have had no financial support from your Government over the course of the last year. You should be utterly ashamed of the dereliction of responsibility from a Government who are supposed to provide leadership to all their people. So much for putting your arms around all the people of the United Kingdom! Three million people have been ignored and abandoned by a Prime Minister and a Chancellor who could not care less.

The Exchequer Secretary to the Treasury (Kemi Badenoch): Nonsense—all nonsense.

Ian Blackford: Well, the hon. Lady should listen to those who have not had financial support.

On the BBC on Sunday, the Chancellor said that his Government had reacted “generously and comprehensively”. Chancellor, tell that to the 3 million freelancers and self-employed who have been left behind without a penny. Not a penny, Prime Minister, of support. A quick search of *Hansard* shows that the 3 million excluded have been raised in the House around a thousand times since last March. Their plight has been ignored by Ministers on 1,000 occasions in the House and it is a disgrace that the Chancellor has chosen to ignore them today.

I acknowledge and welcome the fact that the newly self-employed have now finally been covered by the scheme, but a whole community of people remains ignored and forgotten by the Chancellor. Yes, 600,000 will now be included, but what about the other 2.4 million who have been discarded, written off and ignored by the Chancellor and the Prime Minister?

The Budget’s failure to stand by and support those who have suffered most during the crisis goes to the very heart of the economic choices made. It should have been the Budget that kickstarted a strong, fair and green recovery. That is precisely why the SNP has been calling for a substantial stimulus package—5% of GDP; at least a £98 billion package of investment, which would give us the opportunity to emerge from the pandemic with investment-led growth. That would follow President Biden’s lead and provide a fiscal stimulus that boosted business, protected jobs and stimulated sustained economic growth. Instead, the Budget falls painfully short of that level of ambition. Instead, the Chancellor wants to drag us back to business as usual, back to the same old failed economics of a decade ago.

There is plenty of evidence that Tory austerity cuts are already making a comeback. In November, the UK spending review set out plans to reduce non-covid-related spending by up to £13 billion a year. There is already a public sector pay freeze, including for those key workers who have protected us through the crisis. That is the thanks from this Government.

There has already been a reduction by Westminster in Scotland’s capital budget. The Tory choice to impose austerity is also holding back opportunities to truly build back better beyond the pandemic. A huge number of those opportunities are in the green economy, whether in energy, housing, transport or waste. I acknowledge the £27 million announced for the energy transition zone in Aberdeen, which matches financial commitments that the Scottish Government made in June 2020, but it still falls well short of the wider £62 million energy transition package from Holyrood. Let us not forget that the North sea oil industry has contributed a massive £350 billion to the Exchequer in the last few decades.

The Tories have reneged on promises to support carbon capture schemes in the past, so the Chancellor will forgive oil and gas sector workers in the north-east of Scotland who have developed a healthy scepticism about Tory promises. Chancellor, to really stimulate the green economy, you need finally to reform contract for difference to deliver support for wave and tidal generation and guarantee that Scottish suppliers will be used.

The Chancellor and the Government need to give Ofgem a strategy objective to support the delivery of net zero. Transitioning to net zero is an economic imperative, but it is also a moral imperative. Last week, the United Nations Secretary-General warned that

“2021 is a make or break year to confront the global climate emergency.”

I genuinely say to all hon. Members that COP26 in Glasgow this November offers the chance to unite around an ambitious agenda to tackle the climate crisis.

It is possible for us to look forward to those opportunities only because of the actions of those who have protected us through the last 12 months. Our NHS has been on the frontline in the fight against covid-19. Our workers have been nothing short of heroes with their efforts to save people’s lives and provide care. If we are truly grateful for those efforts, we must secure the financial future of the NHS by introducing long-term investment and rewarding those who work for it. A good start would be matching the Scottish Government’s £500 thank-you payments and making them free from tax and benefit deductions. That also means matching Scotland’s current per head funding for the NHS, which would deliver an extra £35 billion for the NHS in England and £4 billion for NHS Scotland in Barnett consequentials. That, Chancellor, would be a fitting tribute to the institutions and the people who have bravely led us through the worst days of this pandemic.

This is the second Budget delivered by the Chancellor, and it is also very noticeable how little reference he made to Brexit compared with the first. Brexit is now the mess that the Tories and the Labour party dare not speak of, and it is little wonder why. The bad Brexit deal that the Prime Minister forced through the House in the final days of December is already proving more disastrous than predicted, and Scottish businesses, from fishing to farming, are losing millions of pounds every day as a direct result of red tape. This threatens to get worse, with grace periods and some food exports ending in April. Instead of taking responsibility for the Brexit mess they have made, the Tories have washed their hands and walked away.

The same is true for this Budget, which fails even to recognise that the very survival of thousands of food and drink exporters is now at stake. In December, the

EU put in place a compensation package for those countries most affected by Brexit. Ireland alone got €1 billion. Chancellor, where in this Budget is a similar compensation package for Scottish businesses that are losing out every single day? Where in this Budget is a guarantee that the so-called shared prosperity fund will match the loss of EU structural funds? Today's Budget gives no commitment, no clarity and no compensation. It only adds to the ever-growing list of broken Brexit promises.

Of course, the real agenda behind the Brexit betrayal is now emerging. For a year now the Tories have been in panic, privately planning for an independence referendum that they publicly say will not happen. The purpose of the internal market Bill, the Union unit and, now, the so-called levelling-up fund is crystal clear: they are all an attack on devolution.

The Chancellor is undermining our Parliament and centralising resources and decision making at Westminster. It is a naked power grab to bypass the devolved Parliaments and take control of funding in devolved areas. Oh, the irony: take back control. They are taking back control from our Scottish Parliament. That is not only the opinion of the SNP; it is the verdict of the former First Minister of Wales—*[Interruption.]* We hear Tory MPs representing Scotland chuntering away. They are supporting this power grab against the people of Scotland and, frankly, they should be ashamed of themselves. They are showing themselves up for what they have always been: the anti-Scottish Tory party.

Carwyn Jones said that the failure to apply Barnett to the new levelling-up fund would

“divert money away from Wales, Scotland and NI and give a greater proportion to England.”

Of course, the Prime Minister has form, because he talked about doing that in days gone by.

These attacks on devolution show what is now fundamentally at stake. As I said at the beginning of this speech, post Brexit and post pandemic, Scotland has a choice of two futures. At the heart of that choice is a simple question: who is best placed to lead Scotland's recovery and build a better future? Is it Westminster Governments we did not vote for or independent Scottish Governments, of whatever party, chosen by us and with Scotland's best interests at heart?

As we look ahead, we have every confidence in what is possible if we take our future into our own hands. We have the resources. We have the wealth. We have the talent. As an independent country, we can decide how best to use all those resources, all that wealth and all that talent. We will be the decision makers. We will be able to chart our own course and build our own future. The Tories can try to deny democracy all they like, but the inalienable right to self-determination cannot and will not be subject to a Westminster veto. There is no Boris veto on Scottish independence. We keep faith in the right and the power of the people to bring about democratic change. That choice is in the hands of Scotland's people. It is they, and they alone, who will now decide that future.

Madam Deputy Speaker (Dame Eleanor Laing): We proceed with a maximum time limit of seven minutes. That does not mean that Members have to take seven minutes; they can take fewer, but no more than seven minutes. I call the Father of the House, Sir Peter Bottomley.

2.19 pm

Sir Peter Bottomley (Worthing West) (Con): It is tempting to say that I will not waste time on the right hon. Member for Ross, Skye and Lochaber (Ian Blackford), but I think I will. He excited us all by the way in which he put down his beaker of water; we were not sure whether it was going to survive his speech, as he got over-excited. We enjoyed what he read, but he did not have time to look at the Office for Budget Responsibility, whose headline reads:

“Budget extends rescue measures, stokes economic recovery, and begins fiscal repair job”.

It continues:

“The economy is set to rebound thanks to rapid vaccine rollout, getting back to its pre-pandemic peak by the middle of next year. Extending rescue measures takes support for households, businesses, and public services to £344 billion. Generous tax incentives for business investment stoke the recovery over the next two years. Then medium-term tax rises and cuts to spending plans all but balance day-to-day spending with revenues and see underlying debt fall relative to national income. But risks remain from the virus, legacy costs for public services, and future interest rates.”

I think that balances what was said by the right hon. Member for Ross, Skye and Lochaber, the leader of the SNP in this House.

I have not had time to read all the Budget documents, but I think I am right in saying that there is no mention of leasehold, commonhold, cladding, cladding loans or ways of coping with the excess property insurance premiums being faced by leaseholders. There has been no attention yet to the Association of Residential Managing Agents, who asked for a scheme to cover the excess costs. With premiums going up by 400% to 600%, action is needed.

May I just interrupt myself to take an opportunity to pay tribute to Canon Jane Sinclair, the first woman rector of St Margaret's in Parliament Square, who died in January? She was greatly loved in this House. She worked to re-establish the parliamentary links with the Speaker's Chaplain, and had a reputation for liveliness, humour and effectiveness. I understand that she was once nominated to be the Rotherham businesswoman of the year. We miss her, and send our sympathy to her partner, Gillian Cooper.

Returning to the Budget, I am glad that the Chair of the Treasury Committee, my right hon. Friend the Member for Central Devon (Mel Stride), spoke about the dangers of inflation. The Chancellor will be aware of this. There are two groups who matter a great deal when considering this, besides the question of who can get jobs.

By the way, it would have been kind if the SNP and the Leader of the Opposition had welcomed the news from the Chancellor that the number of people who were out of work did not rise to the levels predicted at the height of the pandemic. This is in part a reflection of Government measures, but in large part because of the way that people buckled down and got on with life as much as they could, and because of the Government's courage in keeping things such as the construction industry open, which made a great deal of difference to the supply side as well.

Mortgage holders are one group affected by inflation, and the second are the elderly, many of whom are on fixed incomes. Although their incomes during the pandemic

[*Sir Peter Bottomley*]

may have kept up, in real terms they will drop if inflation returns, so I hope that we do not get to the 2% inflation that is part of the Government's instructions to the Bank of England.

Let me turn to leaseholders. I believe that, under the coronavirus powers, the Government should put a temporary stop to forfeiture of residential leaseholds. During that time, they ought to make sure that any substitute arrangements do not let the landlord—or freeholder, as it may be—take the whole of the equity in a forfeited lease.

That is scandalous. It is going back to William I in the worst possible feudal way. If a home or a leasehold has to be repossessed, any excess equity should and must in justice go to the person who is losing their home. I hope that officials will take note of that, discuss it among the Government and take action.

As the right hon. Member for Ross, Skye and Lochaber said, we all recognise that the Government have done more to bring some of the self-employed into the support schemes, but it is not enough. I do not want to use all my time reading out all the points made on the website of ExcludedUK, but I do recommend that website to people.

In the same way, in the hospitality sector, I commend the website of CAMRA, the Campaign for Real Ale, which asked for a number of things that the Chancellor has given in whole or in part, and we are grateful to him for that.

I know that motorists will be grateful for the fact that, with the cost of petrol and diesel going up, the Chancellor is not adding to that with extra taxation at the moment. As someone who drinks—I try not to do it when I am driving—my prediction is that the revenues from spirits, wine and beer are likely to go up. I believe that freezing duty rates is therefore a better way to get in extra revenue.

We ought to pay attention to what the tax rate is as well as what the tax take is. This is one of the curiosities of our national economic discussion. My former supervisor Professor Sir James Mirrlees—I was his worst pupil—did a calculation of what he thought the appropriate tax rate was: when he was young, he thought it was around 27%; by the time he got older, he had become a bit more socialist and thought it was around 33%. We are now running at 38%. Both the level of taxation and the rate of taxation deserve better public discussion, and I hope that the Chancellor can encourage forums for doing that.

One of my constituents suggested that the Chancellor should consider having separate tax codes for different key workers, as a way of recognising their contribution. I said, "You will always have a boundary problem, but then you always have a boundary problem, whatever you do in life."

On one particular matter, my constituents have been my eyes and ears. A couple who ran a hospitality business on a river had to pay high fees to the Environment Agency for the ability to run their business. They do not pay business rates, but the Environment Agency and the Department for Environment, Food and Rural Affairs have not yet managed to discover who can say that they can have a rebate on the licence fees because they have not been able to use their business for most of the past

12 months. Just because someone does not have a shop front, that does not mean that there are not costs that could be waived by the Government or by Government agencies.

I know that many people want to speak in this debate, so I shall finish by making the point that if we can recognise the contributions that people are making in their enterprises, we are more likely to have a hospitality sector in particular in which landladies and landlords, who have put their hearts into their businesses and broken their hearts by throwing away stocks and gallons of beer twice in the past 12 months, will be able to come back into operation. I ask all my constituents not to have a drink on me but to go out and have a drink, whether alcoholic or not, with their friends when they can and put this country back on its feet in respect of our social lives as well as our business lives.

2.26 pm

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I welcome parts of this Budget because if it works, it will prop up the system for a bit longer, but I am worried that we have seen announcements about the extension of furlough, for example, at a point at which many workers will have already been hit by decisions taken by employers who were worried that such an announcement would not be made today.

The country is crying out for change. It is in debt and there is an uncertain future for many individuals and businesses. Brexit, which I do not think I heard mentioned in the Chancellor's speech, is hitting businesses and individual consumers very hard and proving costly to the economy, certainly in the short term. The bit that was missing from the Budget is the vision for a country that should be supporting people into decent, affordable homes; that should be properly tackling net zero, on which I will touch in more detail; and that should have a plan for social care, the sector that was abandoned in the early stages of covid.

We should also be tackling the challenging issues in respect of different employment statuses that have caused so much difficulty for so many. In my constituency is represented everything from zero-hours contracts to IR35, self-employment, people employed for tax purposes and people on short-term contracts. Covid has had different impacts on different groups of people.

The Chancellor said he will do whatever it takes but, structurally, the inequalities remain. The poorest get a welcome prop-up with the extension of the uplift to universal credit, but only to September. I am not sure that I can see—I am sure the Chancellor would agree that he does not have a crystal ball—what will suddenly change in September that will mean that people do not need the extra £20 a week.

Structurally, there are real issues. A few figures have been announced today on green initiatives—I have not had a chance to go through the detail in the Red Book—but there is no clear plan. We have targets on net zero and other environmental targets, including on things such as electric or net zero cars, yet there are not enough milestones along the way to the targets, which are coming upon us really fast. I will look in detail at the little bits of money announced today, as my Committee, the Public Accounts Committee, is examining issues relating to the green economy in a series of inquiries.

I welcome the fact that there is finally a bit more support for some of the self-employed people in my constituency—we need to see the detail on that—but it is a whole year late. Like many Members, I have constituents who have lived for a year without a penny of income and did not qualify for universal credit, and sometimes they were in exactly the same position as somebody else who lost their job only a day later. Lives have been put on hold and future plans shredded, and there is no prospect of work for many people in many sectors for many months.

I welcome investment in Her Majesty's Revenue and Customs and the Department for Work and Pensions to look at fraud and error. These are small amounts. But it was this very Government who pushed bounce back loans through, as the National Audit Office has said, with very little regard to risk. A slight delay of 24 or 48 hours would have put less risk on the taxpayer for the guarantee on those loans. With regard to some of the furlough schemes, at the early stages it was right to get this out the door, as my Committee has acknowledged, but later, more safety mechanisms could have been put in place. That money is good money chasing bad, in many respects. The risk appetite was high.

Mr David Davis (Haltemprice and Howden) (Con): The hon. Lady mentions the risk in bounce back loans. Her Committee—our Committee—has done sterling service over the years on the whole question of tax evasion and the investigation of that. Does she have anything to say to the Chancellor about that, because it is a very large, lucrative area that the Government could pay attention to?

Meg Hillier: I have hopes for some of the £100 million that HMRC has been given. In fact, having scanned the Red Book, I see that other money is being added to HMRC. As a Committee—as the right hon. Gentleman, a former Chair of the Committee, will know—we are very keen for HMRC to get money because with every £1 it gets for compliance it brings back a lot more to the Exchequer. We need to look closely at this because there is a challenge in the tax system—for example, as regards high street businesses versus online businesses. It is a complex matter and no one should imagine that there is a simple solution; I know he does not think it is simple. It is something we need to continue to engage with.

On housing, once again we have seen a focus on fuelling demand, not increasing supply. The Chancellor seems to have got off the hook on leasehold issues for constituents of mine, and those around the country, who had dangerous cladding by taking the announcement from the Ministry of Housing, Communities and Local Government last week as though that is the matter closed.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): My hon. Friend makes a powerful point about leaseholders, as did the Father of the House, and she knows that many are affected in my constituency. Does she agree that it is absolutely crucial that we get clarity from the Chancellor as soon as possible about the consequential for Wales—he talked about funding across the Union—of those announcements? There needs to be work with the Welsh Housing Minister to sort out the issues around the levy and the tax that have been proposed that are supposed to fund dealing with these fire and building safety issues. It is absolutely urgent that that is done as soon as possible.

Meg Hillier: I completely agree: it is absolutely urgent for the people living in those homes whose lives are on hold, but it is also important for the Exchequer. If the Chancellor's announcements do fuel demand for buying housing, that is stymied by the fact that so many people are stuck in homes that are unsaleable and worth nothing, so they are mortgage prisoners. The whole supply system is not working and the demand system is being fuelled in the wrong direction. We have seen homes in my constituency that were being sold at just below the last threshold for this.

My Committee has looked at the Government's housing policies over many years now. One million new homes in England were promised between 2015 and 2020 and 500,000 more by the end of 2022. Even taking into account the pandemic, we saw, for example, the starter homes project fail completely after nearly £200 million was spent on land remediation alone, with £2.3 billion in total set aside for that in the 2015 spending review. Yet this did not happen because the Government did not even manage to enact the secondary legislation necessary to get it off the ground. Five years later, they finally announced that it was the end of the starter homes project and introduced First Homes, a discount for first-time buyers, and now we are seeing a loan guarantee on 95% mortgages. It is a very muddled policy. I cannot yet see who will benefit, and we will be looking at this in detail.

On net zero and the environment, the Government are setting big targets, but our detailed work in the Public Accounts Committee raises many concerns. This is on top of failures on the green deal, the privatisation of the green investment bank, three competitions for carbon capture and storage—one more was recently announced, but so far the first three have failed—and real inertia on developing proper, long-term commitments to really tackling climate change.

Kevin Hollinrake (Thirsk and Malton) (Con) *rose*—

Meg Hillier: I will not give way as I have already taken two interventions.

It is easy to make announcements; it is much harder to get the system to deliver on them. There is a will in this House, I think, to deliver on this, but the Government have to stop making cheap headlines.

On jobs, only one in 100 young people aged 16 to 24 is benefiting from kickstart. Again, it is a nice headline, but unless it delivers for our constituents, it is not working. We need to act now on making sure that further education is properly funded so that it can plan ahead as, hopefully, we come out of lockdown and into more normal life, and make sure that people are able to be reskilled.

Finally, I welcome the movement—as far as I have read the detail, which is not in full yet—on visas for tech entrepreneurs. This has been a brake on progress in Shoreditch in my constituency. However, we have young people in this country who were brought up in the UK, for whom it is their home and the only country they know, and they are struggling to buy citizenship at over £1,000 apiece, because families cannot afford it. They may pay for citizenship for the main householder, but not for the family. This is something that I feel is viscerally unjust. We have these talented people in our communities, in our constituencies, in our country, who are essentially British but priced out of citizenship. So if

[Meg Hillier]

we are going to have visas for tech entrepreneurs at an easy rate, why not do that for the young people already in our country who are willing, able and capable of contributing?

2.35 pm

Sajid Javid (Bromsgrove) (Con): Over the course of the past year in countries not too dissimilar to our own, people have been asked to choose between protecting their livelihoods and protecting their lives. That has not been the case in our country, and for that we have my right hon. Friend the Chancellor to thank. He said, right at the very start of this pandemic, that he would do whatever it takes to protect jobs, to protect businesses and to protect public health, and he has delivered on every count, and this nation has rightly given him its gratitude.

Despite his success, the Chancellor will be in no mood for a victory lap. Comprehensive support, as he has said today, has come at unprecedented pressure on our public finances. To date, as we have heard, the Government have already spent more than £300 billion, every penny of that borrowed. While low interest rates have certainly helped, we cannot expect such a benign lending environment to last forever. With national debt already close to national output, as we have heard, just a 1% rise in gilts would mean an additional yearly cost in debt servicing of £25 billion by 2024. That is more than half of the annual defence budget. Indeed, we are already seeing rising pressure, especially because of rising global inflation expectations, so we cannot allow the inflation tiger to prowl unchecked.

The faster our economy can bounce back, the easier it will be to manage our debt in the future. Thankfully, I believe that our prospects for a sharp, strong recovery look very promising. Thanks to the Government support, the vast majority of businesses are ready for the shutters of the economy to be lifted. The Bank of England has shored up confidence with monetary easing. Households are sitting on some £100 billion of excess savings and, unlike in wartime recessions, there has been no physical destruction of capital. Above all, the Government are delivering on their vaccination programme—a programme that is the envy of Europe and that will lead this continent out of the lockdown. For these reasons, I am very optimistic about the recovery, and I think it will happen rapidly.

Andrew Griffith (Arundel and South Downs) (Con): My right hon. Friend was of course part of the legacy that has put us in a strong position to make the support packages of my right hon. Friend the Chancellor. Does he agree with me that small businesses are the absolute lifeblood of our recovery, and that my right hon. Friend the Chancellor has brought forward, in the Help to Grow package today, two really insightful schemes that will support the nation's smallest businesses?

Sajid Javid: I thank my hon. Friend for his comments, and I very much agree with that. I think there are actually more than two schemes, if we are honest. There are a number of schemes that will help businesses, not least the speed and the scale of the recovery that I have talked of. I especially welcome those measures, but also the super deduction and the support through grants for businesses.

In the medium term, we will put our country back on to a firmer financial footing by tackling some of the systemic issues that were around long before this pandemic hit, such as low productivity and regional inequality. That is why I also welcome the Chancellor's emphasis on infrastructure investment. Not only will this provide an immediate increase in economic activity, but it will drive long-term productivity improvements and will make sure that growth is even better distributed across the entire United Kingdom.

However, I would urge the Chancellor not to take his eye off delivery. Successive Governments have had a poor history of delivering infrastructure projects on time and on budget. I therefore hope my right hon. Friend will consider complementing his very welcome changes to the Green Book and the new national infrastructure investment bank with a comprehensive cross-government delivery strategy.

While grants and support schemes have been consumed by our generation, they will be paid for by the next. That is why the Chancellor was absolutely right to level with the British people and to set out so candidly the pressure on the nation's finances. While slamming the brakes on spending now would be self-defeating, the Government should be drawing up medium to long-term plans to manage debt. That is why I welcome many of the initiatives the Chancellor set out today, including his commitment to try to avoid borrowing for day-to-day spending. That commitment starts with new fiscal rules. The Chancellor should ensure that those rules are in place by year end, ideally alongside the next Budget and the comprehensive spending review. Having run four spending Departments and the Treasury, I am left in no doubt that a fiscal anchor is essential to control spending and to control debt.

Lastly, in the long term, putting the country back on a firm financial footing means that we need to build resilience against future disasters, as the Chancellor recognised in his Budget speech. Of course, not every disaster is a black swan and it would be foolish to prepare for crises we cannot foresee while we ignore those that we can. In terms of their potential impact on the future economy, few crises are more existential than climate change and declining biodiversity. That is why, as Chancellor, I set Professor Dasgupta very ambitious terms for his independent review on the economics of biodiversity. It makes clear that biodiversity is declining faster than at any other time in human history. If we continue to undermine the resilience of the natural world, we will introduce new sources of serious financial uncertainty, not least the increased spread of infectious diseases. While of course it will take time for the Treasury to digest Professor Dasgupta's review, the Treasury should make a start on one of his most central recommendations: the need to recognise the value of the natural world in our national accounts. I urge the Chancellor to formally ask the UK Statistics Authority to review how that might be done. The Office for National Statistics is one of the most widely respected economic institutions in the world. If it can lead by example, it can make such a difference in trying to persuade other countries and financial institutions to do the same. We can lead on this, not least because of our chairmanship of the G7 and the COP26 conference this year.

This has been a long hard winter and we have all been hibernating for many months, but, as case rates fall and the vaccination programme continues at pace, the frost

has begun to thaw and we are beginning to see the first signs of spring. The Government have been given a precious opportunity not just to resurrect our economy but to reinvigorate our entire country. I am in no doubt that the Chancellor will rise to the occasion with the energy that this moment requires and the sense of purpose that history demands. I am pleased to say that his Budget is the first step to doing just that.

2.43 pm

Jeremy Corbyn (Islington North) (Ind) [V]: I am delighted to be able to speak in this Budget debate, but sadly this Budget does not reflect the reality of people's lives. Just this morning I have come from a local food bank where people were queuing up to try to get enough food to get by. They are people who thought they would always be okay and have enough money to live on, but they do not and they therefore rely on food banks. To the tens of thousands of people who have volunteered in mutual aid groups all over the country, I think we should say a huge thank you. They have contributed, in a way that the Government have not, to the lives of so many people who would be in such great difficulty if those food banks were not there.

The Chancellor talks about extending the furlough scheme and protecting people on those wages. I point out to him that the scheme includes no floor and that 80% of minimum wage is a lot less than the money people need to live on. It was my right hon. Friend the Member for Hayes and Harlington (John McDonnell) who proposed a year ago that we should have a furlough scheme. He sent substantial papers to the Treasury in order to bring that about. Sadly, I do not believe that the Chancellor read all of them.

The scheme proposed by my right hon. Friend would have guaranteed everybody's income and jobs, it would have had a floor, and it would have gone on to protect people's conditions and wages, as well as those of people in all aspects of self-employment, including in the artistic sector. There are many people in work at the moment who are being threatened with fire and rehire, and there are companies trying to dismiss the whole workforce and rehire them on lower wages and with worse working conditions. British Gas and British Airways tried it on, and so many other companies are trying to do the same thing. Where is the protection for people's living standards and jobs in this Budget? Sadly, it is desperately missing.

On public sector pay, many are going to be hit by the pay freeze and by a stealth income tax rise through the freezing of the tax allowance. I remind the Chancellor that a previous Government—a Labour Government in the 1970s—came a cropper on that one when the Rooker-Wise amendment was passed to prevent the Chancellor from the freezing the tax-free allowance.

Millions of public sector workers have contributed so much to dealing with the covid pandemic. Those working in our national health service, our care services and our local government have made super-human efforts to try to help people get through a desperate time, helping people through the mental health crisis and so much else. Their reward is going to be frozen pay and, for those working in local government, a continued underfunding of local government services.

For pretty well everyone across the country, there will be a 5% rise in council tax, as local councils desperately try to balance the books and deal with the increased

demands on their services because of the covid pandemic. I hope that the Chancellor will recognise that we need a proper funding formula for local services across the country, and not just claps for the NHS, the care service and delivery workers, but actual pay increases to recognise the massive contribution that they are making to our society.

The Budget said a great deal about corporation tax and other business taxes, but it did not say very much about tax evasion or tax avoidance. From the Government's statements, they propose to raise around £2.2 billion between now and 2025—in the next four years—from tax avoidance and tax evasion, yet the real figure is that something over £30 billion a year is lost to our public services through tax avoidance and tax evasion. If the Government were serious, they would have included measures in the Budget to deal with tax avoidance and tax evasion.

I hope, by contrast, that the Government will recognise that not increasing statutory sick pay while at the same time doing nothing about tax evasion and tax avoidance says it all about Tory priorities. Statutory sick pay is £95 per week. The Secretary of State for Health and Social Care himself said he could not live on that; I do not think that any Member would want to try to live on that, so why are we expecting anybody else in our society to do so? It has to be increased, and we need a guarantee of at least the £20 rise in universal credit, which at the moment is still a temporary measure.

The Chancellor had obviously read quite a lot of the proposals made by my right hon. Friend the Member for Hayes and Harlington before the last election, in which he pointed out that he wanted to move jobs to the north and ensure that the increase in public spending that we were proposing would help people across the north. The Chancellor made a big deal of about 750 jobs going to Darlington. Sadly, all that is cancelled out by the huge number of job losses in transport authorities across the north of England, particularly in Greater Manchester and Merseyside City Region. That is because the Government have not provided them with the funding package to support transport systems that they have in London and other places. This degree of unfairness between the north and the south will continue, and the degree of unfairness between the richest and poorest in our society will increase under this Budget.

Towards the end of his speech, the Chancellor managed to provide a great deal of greenwash for his proposals. Of course, we all support a green industrial revolution. It was central to Labour's manifesto at the last election, but where is the commitment to net zero emissions by 2030? Where is the commitment on protection of biodiversity to protect us all for the future? This Budget is such a lost opportunity. At the end of it, our society will be more divided than it is at the present time, there will be greater stress and uncertainty in so many people's lives because of this Budget. We can, should and must do much better than this.

Sajid Javid: On a point of order, Madam Deputy Speaker. At the start of my contribution, I should have reminded the House of my entries in the Register of Members' Financial Interests. I hope that I can put that on the record now.

Madam Deputy Speaker (Dame Eleanor Laing): I thank the right hon. Gentleman for his point of order. It is essential that he should have drawn the House's attention to that, and he has done so in an almost timely fashion. I thank him for it.

2.51 pm

Katherine Fletcher (South Ribble) (Con): Last year, I asked the Prime Minister, on behalf of the good people of South Ribble, to throw the kitchen sink at supporting the British people through this awful pandemic. Today, this Conservative Chancellor has continued to do just that: kitchen sinks are being thrown. The scale of the financial support that we are offering is massive. We are extending our spending to help people and businesses right through to September and beyond, which is much further than many expected. We are helping businesses to survive with furlough and VAT cuts and supporting them to get back on their feet with restart grants. Costing £407 billion, it is a lot of money to help this country in its time of need.

It was the Conservatives who spoke a decade ago of getting the nation's finances sorted. We were fixing the roof while the sun was shining. Well, this once-in-a-century global pandemic is the weather equivalent of it raining stair-rods. Cats and dogs have fallen from loaded dark grey clouds on the British people during this pandemic. Businesses have been forced to close, or to work in different ways, to save our lives. Our existential British right to talk a load of nonsense down the pub on a Friday night with friends and strangers has been curtailed, not to mention what has happened to the brilliant people who run these businesses. This Chancellor and Government know what they are doing. We get that we could not have a situation where people lost their jobs or their hard work for businesses just because some bat in China got a nasty cough a couple of years ago. That is not their fault, and this Government have done eye-wateringly massive things quickly to protect people, their families and their work from the consequences of bats and biology.

It is also honest to say that this help has cost us a fortune. This Conservative Government have been fair in protecting people when the awful things happened, but the sums of money required are—wow—massive. It is our money. When I say that it is costing us a fortune, I do mean “us”. It is not Government money or some nebulous concept; it is our money raised by our taxes on our hard work and our business innovation. At some point, we will have to pay this massive support back—not all in one go and not at any price. I commend the Chancellor's honesty today in setting out two broad themes on how to keep us on an even keel with our money and the nation's finances.

As individuals, we will have to push back some potential gains to future years, such as freezing salaries, paying a bit more tax, and asking the bigger businesses to contribute a bit more without making us as a country too different from our international peers in the G7. As the Government, we will have to continue to be careful about how we spend our money, but when we do spend money, we should spend it to invest. This statement shows that we will focus on areas that will help us grow our businesses and our communities. We are putting in place the foundations for a future economy to be going back, never mind bounce.

Today's announcements of investments, super deductions and capital investment plans will boost business investment by enormous sums with world-leading measures. This Government are supporting people to invest to grow their business, creating good jobs across the country. Measures today such as the UK infrastructure bank in Leeds—it is the wrong side of the Pennines, but still amazing—and the levelling up fund will make the UK and Lancashire the best place in the world for innovative businesses to set up and grow. Freeports will help us get our goods to the world, and Help to Grow is brilliant. It will give everyone access to new skills and technologies and boost their businesses, no matter how small they are. I would have run with open arms to these measures when I was running my business.

On a personal note, the people of Leyland want me to thank the Chancellor hugely for the announcement today of the £25 million investment in our town. For too long, Leyland has not seen its fair share of investment. Recently, local businesses, local officials, elected people like me and experts from the Government have been working really hard together in the town board to put a bid together to transform our town centre. I am so chuffed it was successful. Thank you. We cannot wait to get spades in the ground and get started.

It is also important to note that I have the honour in today's debate of following the right hon. Member for Islington North (Jeremy Corbyn), if only to point out where his crazy spending plans would have put us in the middle of this crisis—in short, a mess. The plans, which the Opposition Front Benchers supported in their manifesto, would have dug a black hole bigger than this pandemic has done in our nation's finances, which the pandemic would have then deepened. The Labour party is just not being honest or straight with the public when it suggests we can just borrow our way out of this. When Labour Members are a bit vague about what they would actually do to fix this problem, that is because they are not being honest about the consequences of having too much debt for the safety and security of our country.

Not committing to anything and being a bit vague is fine as a political strategy, but it is not the way to do the right thing by the great British people. This Chancellor and this Government are doing the right thing to support us—responsible, grown-up, practical and fair. They are being honest about what we have been facing and are still to face. They are looking to the future and investing for growth in Leyland's town centre, in Lancashire's businesses and across the nation. It is what we need to build back better, and I support this Budget wholeheartedly today.

2.57 pm

Christine Jardine (Edinburgh West) (LD) [V]: It is an honour to follow the hon. Member for South Ribble (Katherine Fletcher). I think we all appreciate that the Chancellor's statement today comes at a time when the covid-19 virus has had far-reaching and, in some cases, life-changing and even life-ending consequences for far too many of our constituents. People have seen the well-planned, well-financed future they had built for their families swept away by the virus. Businesses are now on the brink because they followed responsibly the rules laid down by the Government. While there are some steps in the Budget that I am sure will be welcomed, it does not go far enough for the many who have

suffered the most, such as those on lower incomes, for whom the freeze on the tax threshold will mean a real-terms loss in their income.

Today, a million small businesses and small-business owners who have been fighting desperately to stay afloat and protect jobs and livelihoods were looking to the Chancellor to extend a lifeline—something to get them through the next few months and out on the other side of this pandemic. While there will be changes to corporation tax in two years' time, that is two years' time. What about tomorrow, next week and next month? I am sorry, but what we have heard today falls far short of what those small businesses needed. We need to get shops, tradesmen, hairdressers and florists, who are the backbone of our economy and the heart of our communities, through the next few months and they needed changes now. They have lost income and revenue to pay the rent costs, which are building up, and they are accruing debt.

Five billion pounds for small businesses is not enough. What the Chancellor has announced does not even touch the sides of the problem. What we need, and what Liberal Democrats have been calling for, is a £50 billion recovery fund to help small businesses meet their costs and replace their lost revenue until they are able to trade properly again, until the economy is open—£25 billion over three months, totalling £50 billion. We have seen in Germany that it can succeed.

We have also called on the Chancellor to implement a zero business rates policy for all small businesses in 2021-22. While maintaining the VAT cut for hospitality is essential, we would have liked to see that stay in place until the end of the financial year, not just until September, and not just for hospitality but for all businesses. VAT deferral would allow them to free up capital to invest in their business.

The extensions to furlough, to self-employment support and to the universal credit uplift all needed to go much further. Furlough should be extended for as long as we need it, and all the self-employed and excluded should be brought into it. Too many people who have been left out will remain so after this Budget. There are 3 million people who have had no financial support at all in this crisis, and only 600,000 of them, according to the Chancellor's own figures, will be helped. The gaps in support all-party parliamentary group gave the Chancellor a plan that would have helped those left out. Why did he not take it?

As for the universal credit uplift, even with it, the UK still has one of the least generous social welfare systems in the OECD, and one that we all know is seriously flawed. The uplift is due to end when unemployment could rise again, as the furlough scheme, which has kept it down, comes to an end. Therefore, when will the Government listen to the voices across the country, and from all political parties, that are calling for pilots and trial schemes of a universal basic income, which would have meant that nobody fell through the cracks during this crisis?

Now we all look to September and wait for the Chancellor's next batch of patches. I am left today with far too few answers and too many questions. Why is our economic performance so much worse than those of other countries? Why is support for small businesses and the self-employed so little, especially for those so hard hit by Brexit? There is no long-term reform of business rates. Why is there nothing on social care and carers? Why so unambitious on our future green industries?

There are no tax incentives for transitioning away from a carbon economy, and there is nothing to replace the green homes grant. But there is a tax hike on the lowest paid, by freezing the threshold next year. Simply mitigating the problems caused by covid will not repair the economy or provide the investment for the growth that we need for recovery.

Small businesses, families and self-employed people up and down this country were watching today, hoping for something to repay their commitment and their sacrifice in fighting this pandemic—a fair response from the Government, not self-congratulations on having done so well. The Chancellor, at the beginning of his statement, promised us a Budget to meet the moment. I am afraid that I do not think he has fulfilled that pledge.

3.3 pm

Mr David Davis (Haltemprice and Howden) (Con): May I start by associating myself with the comments of the Father of the House, my hon. Friend the Member for Worthing West (Sir Peter Bottomley), on ExcludedUK and helping them, and on the leaseholder issue, which also requires help? I also associate myself with those on both sides of the House who have called for the uplift in universal credit to be rendered permanent, which I think in due course will prove sensible.

When I applied to speak in this debate a few days ago, given the headlines in the press I thought that I might be challenging head-on the Chancellor's strategy, in view of my concern that sudden tax increases would crush any recovery. It is therefore a pleasure today to find that that is not the case, and that I can be much more supportive of my right hon. Friend.

Obviously covid-19 has led to incredibly difficult economic circumstances. The country has suffered the worst peacetime economic shock ever. Indeed, we have the worst outcome in the G7, and the deficit is the worst since 1944—a date that I will come back to—which, in and of itself, is extraordinary. The Chancellor faces quite remarkable economic problems that are worse than any Chancellor has faced in peacetime history, and he has handled it with remarkable sensitivity in the way he has put his policies together. I have a question about one or two, but broadly speaking, he has met this economic challenge of enormous magnitude with great skill.

What do these numbers mean? These billions and trillions that are casually thrown about by supposedly expert commentators are incredibly difficult for ordinary people to understand. In my view, they are best understood when looked at in terms of the impact by household or by wage earner, because that gives a better idea of what they mean. For example, the latest deficit figures published before today were £394 billion a year. That is £14,000 per household—that is the size of the black hole we have to fill. Just looking at the size of the number tells us that no tax policy can solve it. The idea of imposing £14,000 per household of taxes is nonsense; it would be designed to destroy any economic recovery. Only a recovery policy designed to restore the tax base and remove the need for subsidies will close that gap, and I am pleased to see that the Chancellor has essentially adopted that strategy.

The most recent estimate of the debt is well over £2 trillion and may be £3 trillion. Some £2 trillion or thereabouts amounts to £77,000 per household. I remember

[Mr David Davis]

only a few days ago a BBC commentator talking about paying off the overdraft. I do not have an overdraft of £77,000. This is a big mortgage that is not paid off in one year. To pay off such a debt rapidly would be crippling. Again, the size says it all. It has to be paid off in the very long term—as the Chancellor said, over decades.

Since this is the worst debt and deficit combination since 1944, we should treat it in the same way as they did then: with a 50-year time horizon on the loan—a war loan, if you like. Both the world war one and world war two debts were paid off this century, within the last 20 years, so that gives us an indication of what needs to be done. I have heard a number of people say, “The interest rates might go up.” To a large extent, two things are happening here. Every single country in the world has this issue, and therefore every single Government in the world has an incentive to hold interest rates down, and they now have the mechanisms to do it—they have done it time and again with quantitative easing, even before today.

To close that £14,000 per household deficit, we need to increase growth, increase employment and increase wages. All those things will increase the tax base. The Chancellor said—and I am glad to hear him say it—that his first priority is employment. That is the centre of those aims, and that is exactly right. That requires higher domestic investment to achieve it. It requires higher foreign inward investment to achieve it. It requires higher new company formation and higher research and development, and it will, in turn, generate higher aggregate demand. Tax increases help none of those things.

The issue of tax increases is not a Tory ideological issue; it is about what delivers the recovery. Income tax increases, whether direct or stealthy, reduce aggregate demand; they reduce the amount of money people can spend. Corporation tax increases suppress investment. Capital gains tax increases deter both domestic investment and foreign investment. The one thing I am worried about in this Budget is the proposal to go to 25% corporation tax in a couple of years. That will have precisely the deterrent effect I worry about with respect to inward investment. I am looking at my Northern Irish friend the right hon. Member for East Antrim (Sammy Wilson), who is nodding at me, because of course in the Province that is absolutely a central issue for us all. We have to worry about tax increases from that point of view.

I was very pleased to hear the Chancellor’s emphasis on what he called the science superpower strategy, and, as he said, it is not hubristic; we are the country with the highest number of Nobel prizes per capita in the world and should be able to marshal something out of that. We have already had an announcement on setting up our equivalent of the Defense Advanced Research Projects Agency—the Advanced Research and Invention Agency; we have new strategies and new funding for science, and new tech visas. All those things will help as all—the whole kingdom—in improving our growth rate.

What is a growth strategy worth? It is very difficult sometimes, particularly dealing with the Treasury, which is very difficult about dynamic taxation and indeed does not seem to understand it, despite the fact that the British Treasury under Nigel Lawson created the best dynamic tax demonstrator in history.

Madam Deputy Speaker (Dame Rosie Winterton): Order. I am afraid the right hon. Gentleman has come to the end of his time.

3.10 pm

Sammy Wilson (East Antrim) (DUP): First, may I welcome the Budget, and welcome the reminder that the Chancellor gave at the very end of his speech that this Budget, and indeed the actions taken by the Government over the past year, demonstrate the value of the Union? We can look at the details in the Budget paper: in Northern Ireland, over a quarter of a million people are having their wages paid through the furlough scheme; 200,000 self-employed people are having their income supported as a result of the scheme; £1.5 billion in loans has been made available to businesses in Northern Ireland; and the Northern Ireland Executive have benefited by over £3 billion in Barnett consequentials, which has enabled them to put in place bespoke schemes in Northern Ireland. For anyone listening, this debate serves as a good reminder that being part of the fifth largest economy in the world has economic benefits, and they are economic benefits which cannot be replaced through any other arrangement.

The second thing I want to say is that I welcome many of the measures in the Budget. It is a difficult time for the Chancellor to present a Budget, but I am glad that many of the measures that we as a party had written and spoken to him about have been reflected in the Budget. The hospitality industry, which is very important in Northern Ireland, lobbied heavily for the 5% VAT rate to be maintained, and I am glad to see that it is being maintained, albeit not for the whole year. I represent a rural constituency, and many of my constituents were concerned about the impact that an increase in fuel duty would have on the cost of living, so I am glad to see that duty has again been frozen. Many businesses looking at their overheads wanted to ensure that they would not be subjected to rates again; the business rates relief is important for them.

However, there are many challenges as to how we pay off the debt, and the Chancellor was upfront about that. He made it clear that some painful choices would have to be made. The Budget papers illustrate how painful some of those choices will be. For example, by freezing the thresholds for income tax, over the next five years the amount of money taken from people across the United Kingdom in income tax will go up by 25%. Some of that will be as a result of the 3% increase in employment, but much of it will be through a stealth increase. As thresholds are not moved up, there are inflationary increases on wages, and people pay more.

Like the last speaker, the right hon. Member for Haltemprice and Howden (Mr Davis), I am worried about the impact of the corporation tax increases. While the Chancellor has indicated that they will not come in immediately, over the period for which we have figures the corporation tax take will increase by 112%. That will have an impact on investment, although we hope that the allowances that have been granted will ensure that some of the profits will be ploughed back.

Mr David Davis: Is it not a fact that when you put up corporation tax like that, it does not deliver the arithmetic outcome: you actually get less back and it suppresses your business as well?

Sammy Wilson: That is a real worry. We have had promises that we will become the Singapore of Europe. If we are going to become the Singapore of Europe, it is important that we become a most attractive place for investment, and I believe that low corporation taxes are one of the ways of doing that.

I am also concerned about aviation, which is an important industry for Northern Ireland because of our limited links with the rest of the UK and the importance of international links for Northern Ireland, which is an exporting area. There was no specific mention of the aviation industry today, but I note that, even in the midst of the crisis the aviation industry is facing, the take from air passenger duty is going to go up by 50% over the next year, and by 300% over the period of the Budget figures. If the Chancellor is really aware of the difficulties being faced by the aviation industry, he needs to look again at the whole area of air passenger duty and at how we improve connectivity and improve, sustain and support that industry, which has been one of the hardest hit, after hospitality, by the coronavirus restrictions.

A point I want to make in conclusion is that there are opportunities for tax increases that will not actually hurt businesses or individuals in the United Kingdom. As a result of Brexit, we now have the opportunity to tackle those people who have been avoiding taxes wholesale. I am thinking of the Amazons and the Googles, who use the Irish Republic as a place where they can locate and take all their profits to. They load all their costs into GB and the United Kingdom and then avoid our taxes. I believe that there are important opportunities that the Chancellor needs to take. I am disappointed that, even with the announcement of additional inspections for tax fraud, the amount is so small. We do not just need new inspectors; we need new policies, and we should be getting on with that. But all in all, I think that many people in Northern Ireland will recognise this as a good Budget for the Union, a good Budget for individuals and a good Budget for recovery.

3.17 pm

Douglas Ross (Moray) (Con): I want to welcome the Budget on behalf of my constituents in Moray and of people across Scotland. There is a lot of good news in what the Chancellor had to say today. First, however, I want to pick up on a few remarks in the speech made by the leader of the Scottish National party, the right hon. Member for Ross, Skye and Lochaber (Ian Blackford). He accused members of this Government of not understanding what it was like to be poor. That is quite an incredible statement from someone who earned his fortune as an investment banker in the City of London before he rediscovered himself as a humble crofter.

The right hon. Gentleman went on to say that this Budget lacked ambition, but I thought there was ambition weaved throughout the Chancellor's statement. It has ambition for individuals, families and businesses in the weeks and months ahead, and ambition for our country in the years ahead. If the leader of the SNP at Westminster wanted to see a statement that lacked ambition, he should have looked at Nicola Sturgeon's statement last week on her partial route map out of lockdown restrictions for Scotland. That was a document and a statement that lacked ambition, hope and clarity and one that we are seeing unravel at the moment as people in Scotland expect more from their Government.

The final point I want to focus on from the right hon. Gentleman's speech is his comment about how in Scotland there has been an extension to the freeze on business rates for a further year. That is true, but that further freeze, for another 12 months, was made possible and accepted by the SNP Finance Minister only because of an additional £1.1 billion of support from the UK Government to the Scottish Government. Kate Forbes stood up in Holyrood and said that she was able to do this only because of additional support coming from the UK Government to Holyrood, to the Scottish Government, so that is why we have the extension for a full year of business rates in Scotland.

The right hon. Gentleman mentioned that newspapers were also covered. Of course, the SNP had to be forced to include newspapers in the business rates relief. A vote by the Scottish Conservatives in Holyrood, which the SNP was against to begin with, forced a U-turn. I will leave it to others to speculate why the SNP at this time would not want to support the newspaper industry in Scotland.

Throughout the last year, in dealing with this pandemic, the UK Government have delivered unprecedented support for Scottish families and businesses: the furlough scheme and the self-employed income support, protecting 930,000 Scottish jobs; loans to over 90,000 Scottish businesses and an extension of the reduced rate of VAT for hospitality, leisure and tourism; the £20 a week uplift for universal credit to help those in our society who need it most, which is something I have been calling for since October last year; and £9.7 billion of additional funding for Scottish public services. With this Budget, the Chancellor is continuing those vital lifelines, extending furlough and the self-employed income support until September.

Just as this pandemic has gone on longer than any of us could have imagined back in March last year, so, too, has the broad support delivered by the UK Treasury to the people of Scotland. Yet this is not just a Budget to help the Scottish economy to survive the pandemic. It is also a Budget for our recovery, with investments to support the economy in the north-east in its transition towards green energy, an acceleration of the transformative funding for Scottish growth deals to bolster the local economies in Ayrshire, Argyll and Bute, and Falkirk, and a freeze on the fuel duty to back Scottish drivers, which is crucial to our remote and rural areas. Just look at how that contrasts with the SNP Scottish Government lobbying for an increase in fuel duty. It has gone widely unreported that the SNP is calling for an increase. When we look at the options for fuel duty, how will that go down with voters in rural Scotland in a few weeks' time? And, of course, as the MP for Moray, representing more Scotch whisky distilleries than any other MP in this place, I warmly welcome the freeze on spirits duty. That is hugely important to the distilleries in my constituency and alcohol producers more widely in Scotland and across the UK.

The Budget shows that the UK Government have a plan to rebuild Scotland's economy after the immediate health crisis is over, to create jobs and opportunity in every part of our country as we pull together to deliver our recovery. The Chancellor said that the majority of these measures apply across the United Kingdom. We have a further £1.2 billion of spending going to the Scottish Government. We need to see the Scottish Government ensuring that that gets to the services and businesses that need it most. On the stamp duty freeze,

[Douglas Ross]

we now see that holiday continuing in England until September, but in Scotland it has now ended. We need to see action on that in Scotland as well.

Yet SNP Members cannot welcome this plan—they could not support the Budget because they would rather focus on another divisive independence referendum than our recovery from coronavirus. They say that they want to bring this referendum forward at the earliest opportunity, just when people are renewing their ties with friends and families and businesses are beginning to reopen. Their plan would damage not only our Scottish recovery, but that of the whole of the United Kingdom. That is the last thing we need right now. What families and businesses across Scotland want to hear from the Scottish Government is a full route map for ending restrictions, not a route map for separation. As I said earlier, they are looking for certainty and for hope. This Budget has delivered that by extending the vital lifelines that Scottish families and businesses are relying on. It is now time for the Scottish Government to do the same.

The Chancellor has set out an ambitious programme that will not only secure the survival of many jobs and businesses in Scotland, but provide the basis for our economic recovery in the future. There was just one point that I agreed with the leader of the SNP on. He said that Scotland has a choice of two futures—we do. In the coming Scottish Parliament election, voters will decide whether they want the focus of all the politicians and all the parties within the Scottish Parliament to be on another independence referendum or on rebuilding Scotland from coronavirus. Let us not choose more damaging division. Let us instead rebuild Scotland and the whole of the UK together. Today's Budget will help us do that.

Madam Deputy Speaker (Dame Rosie Winterton): We now go via video link to Seema Malhotra, after which the time limit will go down to five minutes.

3.24 pm

Seema Malhotra (Feltham and Heston) (Lab/Co-op) [V]: Thank you, Madam Deputy Speaker. The extension of furlough and the maintaining of the universal credit uplift are a relief. Cutting universal credit at this time would have been unthinkable and I thank everyone who joined Labour in making that point. The Chancellor should have announced that sooner. Last-minute changes and U-turns have become the hallmark of this Government, and we now face the worst economic crisis of any major economy.

The Government U-turned last week on the £500 test and trace support payment so that parents who stay at home because their children have to self-isolate are not forced to go without pay or to take annual or unpaid leave. Today, without explanation, the Chancellor has failed to extend the uplift to those on legacy benefits, including many people with disabilities.

The pandemic has exposed a lack of resilience in our economy, in family finances and in our institutions. We have witnessed the struggle of a weakened and poorly equipped NHS and social care system after 10 years of the Conservatives.

Even before the pandemic, a quarter of households had less than £100 in savings. StepChange has said that 1.2 million people now face severe problem debt. That

figure has doubled since the beginning of the pandemic. My local food banks are struggling, with stories of children turning up without clean clothes to wear. We need to plan now so that we do not emerge less equal as a society. We saw nothing today that will help with that. There is no pay rise for social care workers; instead, there is a forced rise in council tax.

The increase in the national minimum wage seems to be a U-turn on the 49p an hour promised last March. The increase in apprenticeship incentives comes on the back of widespread criticism of the apprenticeship levy, with millions unspent.

There is a gender impact, too. Before the coronavirus pandemic, women, especially low-paid, disabled and minority ethnic women, were more likely than men to be in debt. Sixty-one per cent. of those getting into debt to purchase everyday necessities are women.

The Chancellor's speech failed to mention children. Before the pandemic, 4.2 million children were living in poverty—nine in a classroom of 30. Removing the two-child limit and the benefit cap would lift hundreds of thousands of children out of poverty, but the Chancellor chose not to do so.

Half a million people are behind with their rent due to the pandemic. Mortgage prisoners—those trapped with their existing lender on high interest rates—are paying hundreds of thousands of pounds a year extra in mortgage payments to vulture funds and inactive lenders. Forbearance measures are still urgently needed, and a plan to tackle child poverty.

The jobs crisis is hitting the youngest as well as the oldest hardest. Around 600,000 young people are without work, and we risk having a lost generation. Even before the pandemic, there were around 800,000 people aged 50 to 64 not in work who wanted to be. We need a plan for employment to match the scale of the crisis. It is therefore inexplicable that, at the height of the pandemic, work coach hiring almost stopped, with fewer than 15 work coaches hired from April to June, as case loads more than doubled to over 280 people per work coach last summer.

The Chancellor's kickstart scheme has been more of a false start, with only 2,000 placements to date, and Restart has not started at all. That is why we need Labour's new jobs promise to guarantee young people aged 16 to 24 who have been unemployed for over six months a training or jobs placement, and to extend the same guarantee to those aged over 24 who have been unemployed for more than 12 months.

We need investment and green growth across every region and nation of the UK. As we recover from the pandemic, we must invest at speed for growth. A jobs recovery needs a green recovery. "Labour's Green Economic Recovery" report would have been a good read for the Chancellor, with plans to spread job creation across the country, including 400,000 green jobs, with many for young people. Just as Britain led the world in the first industrial revolution, swift and targeted Government investment and co-ordination with the private and voluntary sectors is needed to stimulate the economy and jobs now.

On good jobs, the Mayor of London's new good work standard represents the kind of thinking we need to tackle the scourge of low-paid, insecure work, along with flexible recruitment and workplace wellbeing plans. We should invest in community-led co-ops, and the employment Bill should come before Parliament.

On aviation, we urgently need a better sector-specific deal, to support jobs, to help airports, airlines and those in the wider supply chain—the ground handlers, caterers and other businesses—critical for aviation and for our economy and trade. Employment in aviation communities like Feltham and Heston has been hit very hard and needs much stronger leadership from the Government right now. We should lead the way in the world on zero-carbon aviation, but this means accelerating R&D investment to support innovation in the future of green transportation and logistics, and for new technologies to be contributing to greater productivity for businesses in our supply chains.

Today's Budget needed to put in place the strong foundations to support businesses and to give security to all our families, building a base for resilience, a competitive future and shared prosperity for all. Sadly, it fell far short.

3.30 pm

Simon Fell (Barrow and Furness) (Con) [V]: [*Inaudible.*]

Madam Deputy Speaker (Dame Rosie Winterton): As we are having some trouble getting to Simon Fell, I call Colum Eastwood.

3.30 pm

Colum Eastwood (Foyle) (SDLP): Thank you, Madam Deputy Speaker—and thank you to Simon.

I have to say that I was interested listening to the right hon. Member for East Antrim (Sammy Wilson) talk about the value of the Union as if no other country in the world was investing in businesses and people at this very difficult time. Of course they are doing it in the Republic of Ireland in a very generous way as well. I know he is no longer in his place, but I have heard a proposal, for after a new Ireland comes into place, for a statue to be erected to him for all the work he is doing to encourage the people of Northern Ireland to vote for a very different constitutional future. I look forward to cutting the ribbon on it, and maybe Sammy will join us.

I found it interesting to hear the Chancellor speaking earlier about whatever it takes, and taking lots of credit for the necessary and essential furlough scheme. I do not know if anyone else can, but I can remember him being dragged, kicking and screaming almost, to extend the furlough scheme at Halloween. That left businesses confused and not knowing what they were going to do, and people lost their jobs as a result of it. It is good, of course, that it has been extended, but there should never have been any doubt about that in my view.

I also note very little mention of the B-word: Brexit was hardly talked about in the Chancellor's speech. I wonder if that is because the OBR has said today that there will be a reduction of 0.5% in GDP in the first quarter alone because of Brexit. Many people, myself included, warned of the impact of Brexit. That was not heard, and pretending that the sunny uplands are coming as a result of Brexit is just beginning to be proven wrong with every passing week. There is that, plus the millions—millions—of pounds of funding from the European Union that is being stripped from the people of Northern Ireland and not replaced at all; not one penny replaced by this Government. It just shows us where this Government's priorities lie when they relax the rules for the City of London and strip the people of Northern Ireland of unreplaced funds.

We have heard, and I think this will be proven to be fairly empty, a lot of talk about levelling up for the north of England, but where is the levelling up for the north of Ireland? We know that the protocol, despite what some people want to allege, is a benefit to us, as a result of a very hard Brexit, because it allows our businesses to trade into the British market and into the European market unencumbered. That is a competitive advantage that nowhere else on these islands has. Where is the effort to maximise that competitive advantage? Where are the investment hubs, with incentives in places like Derry, which has been stripped and starved of funding from Governments and is at the worst end of all the economic league tables? Where is the support to maximise that benefit and to sell the benefits of the protocol around the world, instead of listening to some of the nonsense we have heard from some of my colleagues about how damaging the protocol is? It is just not the case.

I also note that there is nothing in the Budget on the skills gap in Northern Ireland. We send thousands upon thousands of people away from our shores to study elsewhere, and they do not come back. That strips our communities, our families and our economy of very highly skilled people.

I am not somebody who would normally support low corporation tax, but the fact of the matter is that in Donegal, just across the border, corporation tax is 12.5%. In Derry, a mile away, it will soon be 25%. We take advantage of the protocol, and then we harm it by having a corporation tax double that just across the border. We know that small retailers are on their knees, and there is no mention of a windfall tax on Amazon, which is making an absolute fortune at the expense of those retailers.

The Chancellor says that the NHS is deserving of immense praise. The people in it do not want his praise; they want more money. They want more money in their pockets and they want more money in the system. In Northern Ireland, our population is 30 times smaller than England's, but our waiting lists are 100 times longer. Where is the investment in our health service to get us through covid and to begin to allow people to get proper access to the health service they deserve? The Northern Ireland Executive have announced a £500 million thank you payment for those workers. Waive the taxes on it and allow them to keep the money for themselves.

3.35 pm

Simon Fell (Barrow and Furness) (Con) [V]: Thank you for coming back to me, Madam Deputy Speaker. I hope my internet holds up now.

It is incredible to think that the Budget last year did not even contain the word "furlough." Twelve months ago, the focus was on levelling up. Now, quite rightly, it is on recovery and how that recovery can drive growth in communities like mine across the country. The scale of Government support is simply staggering: £65 billion in this Budget alone, and close to £407 billion in total. All of us in this place have perhaps become too used to the idea that, if we make the right case, financial support will flow from the Treasury.

Of course, in these challenging times, it is not difficult to find people and organisations who are worthy of support, and that is why I believe this is a truly bold Budget. My right hon. Friend the Chancellor is being

[Simon Fell]

honest with the British people about the difficult decisions that lie ahead, while maintaining a clear focus on supporting people through covid and on jobs and growth as we move to recovery.

I hold my hand up and acknowledge that I have been one of those asking, Oliver-like, for a little bit more, please, sir. This has no doubt been wearing at times, and I thank my right hon. Friend and his fantastic Treasury team for being open to colleagues with ideas, and for listening with good grace to those of us with our bowls out. It is that spirit of generosity that rings through this Budget: extending furlough through to the end of September, and ensuring that a further 600,000 self-employed people get support as access to grants is widened. This is the response of a Chancellor and a Treasury team who understand what a lifeline these schemes are and how crucial they will be to recovery and to retaining jobs as we emerge from this pandemic.

Similarly, the extension of the universal credit uplift is very welcome. The uplift has helped so many people through the extreme challenges of this pandemic. Its continuation is not cheap, but for the many people who have been pushed into the category of just about managing in this crisis, it is a lifeline. This hand-up to those who need it is yet another policy compassionately delivered in the face of incredibly challenging circumstances.

Taken together, these measures will protect livelihoods across the UK and provide peace of mind and the ability for firms and families to catch their breath as we leave lockdown.

A person walking down Dalton Road in Barrow cannot get away from the visible signs that our high street is struggling. My local business owners campaigned hard to gain support. They very much want to be part of the recovery, and I am delighted that my right hon. Friend has recognised the important role they have to play. The combination of generous restart grants for retail businesses and greater support still for hospitality and leisure, which have been particularly hard hit by coronavirus restrictions, is very welcome.

If we in Cumbria want to boost tourism, we need our pubs, bars and restaurants to weather this storm. Restart grants, extending the VAT cut and a freeze in alcohol duty will make all the difference. The 100% business rates holiday last year provided a safety net for so many. Seeing that continue, with the vast majority of businesses receiving a 75% cut next year, will help our high streets play the part they want to play in this recovery.

I was elected to represent a community that felt left behind and felt that it had not seen investment for decades. In the past year alone we have seen the corner turned, with £25 million awarded for the town deal and a bypass funded at Grizebeck. I am incredibly grateful to colleagues in the Treasury and across the Government for enabling that.

I am delighted that there is even more in the Budget for Barrow and Furness and communities like mine. The £150,000 of levelling-up capacity funding for Barrow will enable my local council to put forward a good bid for the levelling-up fund, and winning that will make a tangible difference to our town.

Similarly, the £20,000 community renewal fund granted to Barrow will help us to pilot new approaches to tackle some of the most difficult issues that we face, supporting

new approaches to tackling poverty and reinforcing our community as a place where people want to live, work and visit.

The huge capital allowance bonus for manufacturing is an incredible boon for the north and will allow us to unlock some of the latent investment that we know is out there for communities like ours with strong manufacturing bases in everything from defence to subsea and with everything from world-class LED lighting firms to global exporters.

This is a remarkable Budget for the north and for the whole of the UK. I am grateful to my right hon. Friend the Chancellor, not only for his honesty about the scale of the challenge that we face but for his determination to support people and businesses through this storm.

3.40 pm

Mr Tobias Ellwood (Bournemouth East) (Con): It certainly has been a year like no other, and when we look back at this point we will of course reflect on the direct consequences of the pandemic—the impact on livelihoods and the loss of life—and the incredible efforts of the NHS, the military and indeed volunteers in getting us through it. We will also look to see how responsible we were in supporting and protecting jobs, businesses and skillsets, carefully anaesthetising so much of our economic activity so that it could be revived once it was safe to do so.

With plans to gradually ease lockdown about to start, the Budget has two simple objectives: first, short-term fiscal support that will assist our workforce until June, when the lifting of any final covid restrictions will take place; and secondly, the introduction of responsible measures designed to begin to rebalance the books after a year of record borrowing.

I very much welcome the Chancellor's announcement of further economic support relating to the pandemic—for example, the extension of the furlough scheme, the continuation of the business rates holiday, the extension of the VAT cut and the freeze on alcohol duties. All will be appreciated in my constituency of Bournemouth East, where tourism and hospitality are critical. There are calls from people who want to see the easing of lockdown move faster, but no general would commit to a date—beyond the aspirational—to achieve the next phase of battle until set conditions were met in order to advance. That is exactly what the Prime Minister is doing now.

Let me turn to the longer-term measures that the Chancellor has announced, some of which have been criticised in relation to the manifesto commitment not to touch the big taxes—income tax, national insurance and VAT—but that commitment was made before this once-in-a-century event. We would be storing up problems for the future if we did not take initial steps to deal with the scale of borrowing that is currently taking place.

We are just starting to lift our heads above the parapet in relation to this pandemic—to think that we can go beyond survival and repair and about what post-covid Britain will look like—so I very much welcome the initiatives in the Budget on national infrastructure programmes, green investment and support for veterans' mental health. The digital roll-out is also important for services, as digital is taking over from roads and rail in linking businesses together.

I thank the Chancellor for the £21 billion of town deal investment to help regeneration in Boscombe in the core part of my constituency. The council and I have been lobbying on that for a number of months, so we are very grateful.

I mentioned digital, and I do not apologise for raising what has been referred to as the Rockefeller question. Of course, J. D. Rockefeller was the owner of Standard Oil, the company that dominated the oil market in the 1920s. It took the will of President Theodore Roosevelt, the one person more powerful than Rockefeller, to see Standard Oil's monopoly challenged and subsequently dismantled. I am glad to see the Financial Secretary to the Treasury in his place. We have seen a clash between Google and the Australian Government. With the likes of Google, Facebook and so forth dominating the digital world, and now earning 80% of the advertising market, there are big questions as to how personal data is harvested, how fairer competition is supported, and—pertinent to today—the levels of taxation that are paid. I hope that this can perhaps be raised at the G7 discussions this year.

My final point is in relation to China and the scale of the impact that this economic powerhouse is having on areas of interest that we have across the world. It is a superpower, and there is a geopolitical challenge in the long term as it ensnares many countries in trade deals, and infrastructure and security programmes, that they can ill afford. This is in direct challenge to the very areas that we want to do business with. Again, that is something for the G7 to discuss.

We must recognise that, as we come out of the pandemic, the world is looking very different from when we went in. Our economic security depends on our national security and vice versa. I hope that the forthcoming integrated view will give clarity as to what global Britain means. We have become a little risk-averse in the past few years when it comes to challenging potential threats at source. I hope that the tough economic decisions taken today will lead us out of this unfair and unprecedented financial shock, and that we can appreciate that we now need to address the unstable international context that we face.

3.45 pm

Chris Elmore (Ogmore) (Lab): Almost exactly a year ago on 28 February, Wales recorded its first case of coronavirus. Covid-19 would go on to turn countless lives, livelihoods and communities upside down. In my Ogmore constituency, many families have faced unimaginable loss in unprecedented circumstances. It has not just been the loss of loved ones, often without being able to say goodbye, or of the precious time with friends and family. There has also been a previously unimaginable scale of financial loss, with small businesses destroyed, seemingly overnight, disappearing jobs, reduced hours and some people—the excluded—simply falling through the gaps in support and receiving nothing, even after their income vanished before their eyes. Of course, I welcome the changes that the Chancellor has announced today to support some of the excluded, but there are still far too many people who are missing out on Government support and who have simply been bypassed again by this Conservative Government.

The emotional scarring of the pandemic will be with us for years to come, and we must do all we can to provide the support for mental health and wellbeing that people

need. I am very proud that the Welsh Labour Government have already identified the need for this, and have begun to implement this support as they seek to move Wales forward. But we need to recognise that, alongside the emotional burden, there is also an economic burden; and, as so often during this pandemic, the Chancellor's plans to tackle it are simply not up to the job.

Figures show that 4,415 people in Ogmore are currently furloughed and 2,705 people are claiming unemployment-related benefits. Months ago, I and my Labour party colleagues called on the Chancellor to end the speculation and uncertainty surrounding the continuation of this support and pledge that he would extend the £20 uplift beyond April. I was proud to do the right thing and vote for the £20 a week uplift to universal credit, as I have seen the difference that it has made in people's lives across my constituency. While Labour was taking action, the UK Government decided to sit on their hands and pretend that no vote was going on. It will come as no surprise that I find it appalling that I have heard Conservative MPs today saying how important the uplift is, when they chose to pretend that there was no vote going on just a few months ago. They are now praising the uplift as if the Chancellor has ridden in on his white steed and rescued those people who receive universal credit.

The Chancellor could have stopped this speculation many months ago. Even this Sunday, he was asked by the press if he would end this cliff-edge approach to people's incomes, but again he refused to relieve the anxiety that surrounds families' household budgets. I am pleased that the Chancellor has finally listened and followed Labour's lead, but I have to ask: why on earth has it taken him this long to make the decision? Has he perhaps been waiting for a new graphic for his social media? Does his Instagram account take some time to change these things? Meanwhile, families across my constituency have been living with this uncertainty, and it simply is not acceptable.

The difference between the Chancellor's reluctance to extend the support, and the actions of a Welsh Labour Government straining every sinew to support Welsh families, is glaring. From the get-go, Welsh Labour ensured that the full force of our Government was used to support families, businesses and jobs, be that through: the barriers grant, giving up to £2,000 towards the essential costs of starting up a business; the restrictions business fund, giving businesses grants of between £6,000 and £10,000; or releasing £117 million, through rate relief for premises over £500,000, back into the economy. Welsh Labour has targeted everything towards protecting jobs in our communities.

This Budget is about not just tackling the challenges of the present, but laying the foundations for the future. The Welsh Labour Government understand that and have done that in their work every day over the last 10 years of continuous budget cuts. The Minister and the Chancellor have spent the past 10 years cutting, cutting and cutting the essential foundations of the economy; how do they expect now, with very little planning or ideas, to progress and build an economy back for the future? With such limited expectations and hopes for growth, the Budget is hardly the inspiring one that was being briefed daily for weeks before today.

The scale of the challenge we face as we seek to rebuild after this dreadful pandemic is immense. Our Welsh Labour Government recognise that, and have set

[Chris Elmore]

out the bold and visionary policies we need to move Wales forward. Today's Budget is sadly lacking in ambition and in the compassion required by the Chancellor and his colleagues. Families in Ogmore and across the UK have made enormous sacrifices in a collective effort to tackle covid-19 and keep each other safe. They need a plan for a recovery that matches the scale of that sacrifice, but they will not find it in today's Budget.

Madam Deputy Speaker (Dame Rosie Winterton): I am afraid that after the next speaker the time limit will go down to three minutes.

3.51 pm

Mr Mark Harper (Forest of Dean) (Con): The first thing I want to say, reflecting on the Chancellor's excellent Budget speech, is that in an emergency—that is what we have faced over the past year—it is right for the state to use its fiscal firepower to support the people of our country and protect jobs and livelihoods. That will be welcomed across the country, but particularly in my constituency. Listening to the Chancellor set out the more than £400 billion-worth of spending that has been put in place to support jobs and livelihoods, we can see the pay-off. The independent Office for Budget Responsibility now thinks that the level of unemployment we will reach at the peak is considerably lower than it was forecasting just last November. That reduction in the level of unemployment and the jobs that have been protected will be welcomed in my constituency and across the United Kingdom.

I also welcome the specific help in the Budget for my constituency. I particularly welcome the £150,000 to help my local authority put in place the capacity to bid for money from the levelling-up fund. As Members of Parliament are integrally involved, I look forward to working with it to put in place an ambitious plan to help improve economic conditions in my constituency. I also welcome the continued reduction in VAT for hospitality and tourism businesses, and the extension of the business rates holiday. I know that that will be incredibly welcome to those businesses in my constituency that are raring to go to get back into business but are not yet enabled to do so.

We have had a big, one-off amount of borrowing to get us through this crisis, so we need to get the public finances back in shape. The Chancellor set out very clearly why that is essential. First, if debt continues to rise, we are very vulnerable to a rise in interest rates. A 1% rise in interest rates, modest by historical standards, would mean our having to find £25 billion a year in debt interest. That would mean making very significant savings elsewhere from important public services. Secondly, we have to get the public finances in good shape to prepare us for the inevitable future crisis. As the Chancellor set out, it was only the difficult decisions that we took on tax and spending from 2010 onwards that allowed him to have the fiscal firepower and borrowing capacity to get us through this crisis. It is right that he wants to leave the public finances in shape, either for himself in the future or for a potential successor, to deal with any crises to come. It is important that that cannot happen immediately, but over time.

I am pleased to see in the independent forecast that we will get the Budget back into balance by 2025-26, by three mechanisms. The first is growing the economy

faster, and I welcome the mechanisms that the Chancellor set out today to increase investment, to get businesses firing on all cylinders. However, secondly, it also requires controlling the growth in spending, and I am pleased to see controlled growth in public spending in the numbers. That will mean some difficult decisions in the spending review, and I say to Members on both sides of the House, especially my colleagues, that it will mean making choices, setting priorities and deciding what we think is important. We cannot spend money on absolutely everything we want; as Conservatives, we have to live within our means and make those difficult decisions. I hope that, as those decisions are made by ministerial colleagues and our Treasury colleagues later this year, we can all support them.

Finally, it also means an increase in taxes, which is uncomfortable for someone like me who wants to see lower taxes. I do not think we are undertaxed, because the tax rises in this Budget will leave us with the highest tax burden in my lifetime. However, I hope that they will be temporary and that, once we have got the public finances back into shape, the Chancellor—as he says, he is a low-tax Conservative—will be able to look to continue increasing public spending in line with the growth of the economy, but also to reduce taxes so that people can keep more of their hard-earned income, which is central to being a Conservative.

This is a very well-judged Budget that gets the public finances back into shape, deals with the crisis—the emergency—we have faced, prepares us for growth in the years to come and leaves us in better shape than the Chancellor found the Treasury. I commend it to the House.

Madam Deputy Speaker (Dame Rosie Winterton): I understand that the hon. Member for Brent North (Barry Gardiner) is having some technical problems, so we will go to David Mundell.

3.56 pm

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con) [V]: I believe that today's Budget is good news for my constituency. We still need to focus on defeating the pandemic, and the continuing support for local people and businesses is most welcome.

Thousands of people in my constituency have benefited from the furlough scheme and the self-employment scheme, but I have lobbied particularly hard to persuade the Chancellor to retain the £20 uplift on universal credit so that the most vulnerable people in my constituency and elsewhere receive the support they need. I also lobbied for a VAT cut for the hospitality industry, which so many local businesses were in touch with me about, and that will make a real difference to them as gradually they are allowed to reopen.

The Chancellor announced a range of other measures to help businesses in England. We need to see the equivalent delivered here in Scotland, unlike previously, when the Scottish Government have sat on money that they have received from the UK Government and failed to distribute it quickly to businesses.

I have always argued that a car is a necessity, not a luxury, in our rural communities, and haulage fuel costs contribute so significantly to the cost of living locally. That is why I have always opposed rises in fuel duty, so I am delighted that the Chancellor agrees and has frozen fuel duty yet again.

In the very short time that I have, I shall focus on the issue of access to cash. It was announced this morning that contactless payments would be increased to £100, which I am sure will be welcomed by many, but the Chancellor did not reference this year, as he did in his last Budget, the operation of the UK cash system and his plans to legislate on access to cash.

Our system of cash faces three big issues: the ongoing issue of access; the inverse issue of depositing cash, and the increasingly pressing problem of acceptance of cash. The issue of acceptance of cash has been made more acute by the pandemic. The Bank of England noted in its quarterly bulletin that 42% of people had recently visited a store that would not accept cash, and Which? conducted a survey that found that four in 10 of those who had experienced difficulties paying with cash had left empty-handed when trying to buy groceries.

It is therefore essential that the Government come forward with legislation and plans on this issue. Without that, we risk crashing into a cashless society, where some 17% of adults in the UK—about 8 million—would struggle. Those struggling most would be the elderly, the vulnerable and economically excluded, and those in rural communities such as my Dumfriesshire, Clydesdale and Tweeddale constituency.

3.59 pm

Geraint Davies (Swansea West) (Lab/Co-op) [V]: The Chancellor failed to mention that, with 123,000 deaths, the UK has the highest coronavirus death rate in the world and the deepest recession of the G7. He also failed to mention the bungled Brexit that has led to a two-thirds cut in our exports since the new year. The Budget simply continues to increase inequality, which will itself reduce the rate of growth. Although it pumps money into the economy, it will mean council tax rises, pay freezes for public sector workers, benefit squeezes and service cuts, all of which will further increase inequality.

What we need is a healthier, fairer, greener future. We only have to look to the Welsh Government to see how to do that. In England, excess deaths associated with covid over the five-year average are at 20%, while in Wales, the figure is only 13%. If that rate had been applied in England, there would have been 36,000 fewer deaths. That could have been achieved through a more cautious approach to social distancing, travel limits, earlier lockdowns and, of course, contact tracing in public hands rather than in the hands of sponsors of the Conservative party. We are also rolling out vaccinations very quickly.

In Labour-run Wales, we have seen the Government using their money where it is most needed, not to support council tax relief for food superstores, which are making exceptional profits, and not for stamp duty for people buying second homes for their holidays. Instead, we have a £2 billion resilience fund, and the Development Bank of Wales investing in small businesses to secure 141,000 jobs. This is successful devolution, but we do need the tools to do the job, and we only get 2% of the money for rail investment for 5% of the population. We need a high-speed link between Bristol, Cardiff, Swansea and west Wales to help connect the Union. We need the shared prosperity fund to be spent in Wales, for Wales and by Wales. We need the Swansea Bay tidal lagoon that was promised, and we need electrification of the railways. There is much that we need, but we are not getting our fair share and we did not hear anything about that in the Budget.

We need a fairer future in Britain. There are 6.6 million people who are hungry and in food insecurity each day. We need to double the number of co-operatives. We need to target investment to smaller companies, particularly those that are committed to net zero, with local jobs that reduce inequality. We need to invest in children from poorer backgrounds who have lost out the most in terms of education, and we need to invest in sustainable transport. After all, 64,000 people a year are dying prematurely from toxic air. Again, there was nothing about that.

Labour increased the size of the economy by 40% in the 10 years to 2008 and in so doing doubled the health service and the education service. We need a Labour Government to have inclusive growth and to balance the books, and we will not get one until the next election.

4.3 pm

Barry Gardiner (Brent North) (Lab) [V]: Today, the Chancellor has been dealing with the economic cost of coronavirus. Coronavirus is a zoonotic disease and, just like SARS and Ebola, it has come about as the result of the increasing stress that human activity has put on the natural world. As a result of coronavirus, the Chancellor admitted borrowing a record £355 billion, and for the first time in more than 50 years public debt has risen above 100% of GDP. Let me say it again: coronavirus is a zoonotic disease; there will be others.

Our species is grappling not just with one global pandemic, but with the two global emergencies of climate change and the destruction of nature through biodiversity loss. Today should not just be about the allocation of money; it should be about the management of our assets. Once we understand that our economy is bounded by nature, natural capital, we will perhaps understand the need to stop consuming each year goods and services that the planet takes 1.6 years to reproduce. Economists call this living beyond our means. The Intergovernmental Panel on Climate Change is clear that we need urgent and unprecedented transformational change. If this Budget had adopted the principles of the Dasgupta review, we would have got that change. It would have set out the basis of a green industrial revolution, full investment in low-carbon infrastructure and the greening of our economy. It could have created a million new jobs.

Protecting jobs and maintaining incomes through furlough is only a baseline. Alongside it, the Chancellor should have put in place incentives for companies that spread employment through job sharing while using non-employed hours engaged in a new, paid national retraining scheme for the zero-carbon industries of tomorrow. That would have been transformational and given people currently in old industries hope and security for the future. Yes, set targets for electric vehicles, but retrain the mechanics. Yes, bring in more solar and wind arrays, but train the new generation of engineers. Yes, retrofit our homes, but where is the skilled workforce to carry out the work?

On the super deduction of 130% tax reliefs on investment, the Chancellor should have said that this could be used only for sustainable green investment, and not to subsidise what could be environmentally damaging infrastructure by oil and gas corporates. No wonder it took him until precisely 37 minutes into his speech before he even mentioned the word “green”—and that, ironically, came just after saying there would be no fuel duty rise. I welcome what he said about changing the remit of the

[Barry Gardiner]

Bank of England to consider environmental sustainability and net zero, but a transformative Budget would have mandated both climate and nature-related financial disclosures by listed companies. He patted himself on the back and said that he would be ready when the next crisis comes. The truth is that the next crisis is already here: it is called the climate catastrophe and environmental destruction, and this Budget has not prepared us to meet it.

4.5 pm

Robert Halfon (Harlow) (Con) [V]: I welcome this Budget. It has five core purposes: to balance the books; to help people through covid; to cut the cost of living; to champion education, skills and apprenticeships; and to build back better.

The fundamentals of levelling up must be about cutting the cost of living. Too many of my Harlow residents are working long hours for low pay. That is why the fuel duty freeze, for the tenth year, is such good news. The national living wage rise to £8.91 in April will mean that households are £5,200 better off compared with 2010, and cuts in taxes have put £1,205 more in the average worker's pocket. The six-month extension to the uplift in universal credit will incentivise work and reduce the welfare poverty trap.

Covid-19 has been a national disaster for education. The Government's £1.7 billion catch-up fund is a huge step forward. Just as the NHS has a 10-year plan, there should be a long-term plan for educational recovery, investing in early years, establishing family hubs in every town, reforming the pupil premium to give more help to the long-term disadvantaged, and having longer school days, with civil society helping with extra sports, mental health and academic catch-up. I hope the Treasury will hypothecate £150 million raised from the sugar tax to finance school breakfasts in disadvantaged areas. Evidence shows that this increases educational attainment by two months.

The £2 billion kickstart programme for businesses and the lifetime skills guarantee will rocket-boost apprenticeships and jobs. I urge apprenticeship levy reform to benefit companies that invest in the skills our country needs and ensure that those from disadvantaged backgrounds climb on to the apprenticeship ladder of opportunity.

Of course, levelling up means renewing infrastructure. The new hospital plan for Harlow is hugely welcomed by residents, as is our new £81 million junction 7A and planned regeneration funding of up to £76 million. The expected move of Public Health England to Harlow will provide thousands of jobs, boosting skills, health science and economic opportunities across the east of England. The Health Department has already spent over £270 million for the relocation, and this investment shows the Government's commitment to Harlow.

Building back better must also mean genuinely affordable housing. One million children live in overcrowded accommodation. The £12.2 billion announced by the Communities Secretary is welcome. The Government could incentivise housing associations through a flexible grant rate and making more land available for social housing. Of course Conservatives are for home ownership. The mortgage guarantee is superb, but we should also be the party of quality, affordable housing.

I commend this Budget. I urge the Prime Minister and the Chancellor to ensure that supporting workers, and championing social justice and the ladder of opportunity, continue to be at the heart of Government decision making.

4.8 pm

Liam Byrne (Birmingham, Hodge Hill) (Lab): I am here to speak for the west midlands because we have a Tory Mayor who is failing to use his voice. The truth is that covid has hit our region harder than any other region in our country, and over the last four years, life in our region was getting shorter, getting poorer and getting less safe. That is why what we needed from the Chancellor today was a Budget that genuinely levelled up this country, so that we can level up our region.

I am grateful for the help in the short term that will make a difference, but the truth is that, over the medium term, we saw today £66 billion-worth of tax rises—tax rises that will also fall on teachers, nurses and police officers for the years to come. I think that is the biggest tax rise that we have ever seen in Budget history, and it is so high because the growth rate for this country is coming further and further down. That is why what we needed from the Chancellor today was a meaningful strategy to go from the pandemic to the Paris agreement—a plan to reindustrialise our country and create new green manufacturing jobs, avoiding the perils that the International Monetary Fund is warning about of a K-shaped recovery where the rich go in one direction and the poor go in another.

That is what I want for our region. I want our region to be the green workshop of the world. I want our region—the youngest region in Europe—to be the place with the best life chances for young people. I want our region to be a place where we have police back on the streets, because we have seen violent crime soar by more than 100% over the last two to three years. But that is not what we got today. We have asked for help, but we have been given just 5% of the £3 billion we asked for to get our recovery moving. What did we get today? The grand total of £2 per person per week—that was it. There is £431 billion in the national capital budget. What did we get today? We should have got an extra £7.7 billion, which would reflect our population share. We got just 3% of that money today.

I am afraid that, once again, we have been left behind, looked over and left out. The towns funds that we secured today are just three quarters of what Andy Burnham and Steve Rotherham got up in the north-west and just 39% of what was secured by council leaders in the east midlands. We cannot go on like this. We need a Mayor who is going to stand up and fight for our region, and in May, that is what the residents of our region are going to get.

4.11 pm

Huw Merriman (Bexhill and Battle) (Con): In welcoming today's Budget, I wish to focus on three themes. The first is supporting restart. The Chancellor is right to ensure that the workforce and businesses are supported as we open up our economy once again. The continuation of furlough, help for the self-employed, business rate relief and extending temporary VAT reduction will give business the confidence to reopen and plough on. We now have to encourage people to turn their backs on the

lockdown, get back to their offices and back to hospitality and leisure venues and do their bit for the nation's economy as we unlock, in the same way that they did for the nation's health when they locked down.

The second is recovery. The Chancellor is right to invest in our recovery by supporting capital projects that will deliver a yield to UK plc. Over half of the infrastructure spend is devoted to transport. It is vital that this spend goes on projects that deliver the biggest bang for the buck, not white or green elephants.

The third is repayment. The pandemic has seen a Government fiscal injection of £407 billion. Much of that has been supported across the House. As the Chancellor said, it is comparable only with the borrowing from world wars one and two. National debt now stands at £2 trillion—£30,000 for every man, woman and child. We have a record peacetime deficit. I remind those who talk of low levels of Government borrowing that an increase of just one percentage point across all interest rates will add an extra £25 billion a year to the Government's cost of servicing the national debt—money that could otherwise be spent on investing in education or delivering infrastructure.

With regret, I understand the need for a five-year personal tax allowance freeze, a corporation tax increase to 25% from 2023 and other tax-raising measures. The OBR has stated that these tax rises will take the overall tax take and burden to the highest level since the 1960s. In addition to increasing the tax yield, we need to reduce levels of public spending. That means cuts across the board. I am deeply disappointed that we are reducing our international aid spending, but I cannot just expect spending cuts to apply to those areas less close to my heart.

Thirty years ago, Margaret Thatcher was taking questions from the media on the 1981 Budget. She said this, and it applies as much today as it did then:

"Now what really gets me is this: that it is very ironic that those who are most critical of the extra tax are those who were most vociferous in demanding the extra expenditure. And what gets me even more is that having demanded that extra expenditure they are not prepared to face the consequences of their own action and stand by the necessity to get some of the tax to pay for it. And I wish some of them had a bit more guts and courage than they have."

The Chancellor has shown today that he has the guts and courage. It is now down to those of us who similarly believe in fiscal responsibility and in not dumping the next generation into an ever increasing pool of debt to be true to the Conservative party's philosophy and make that same case.

4.14 pm

Carol Monaghan (Glasgow North West) (SNP) [V]: I am sure that there will be much chest thumping over this Budget, but the reality is that many of those most in need of support have been ignored. Furlough has been welcome for some, but for others, including the 3 million excluded, who have not received a penny, this Budget offers nothing.

The £10 million for veterans' mental health is welcome, but many of the veterans and their families who contact me do so because of a lack of support from this Government. The Chancellor could have rectified this situation, which sees payments awarded for injury in service treated as normal income for DWP calculations, but he did not. What message is he sending to veterans

who have given their health for this country? The recent National Audit Office report on military housing should have shamed this Government into action. The report talks about "decades of under-investment", with nearly 2,400 personnel living in such abysmal accommodation, lacking such basics as hot water, that they are not even required to pay rent. This is a Government who profess to stand up for the armed forces, so why are there no funds for this?

Central to any covid recovery plan must be our children. This is a year when disadvantage has been laid bare. Although the Government have rightly provided digital devices and tutoring schemes for learning, children need first to be fed. The Chancellor has agreed to maintain the £20 weekly uplift in universal credit until September, which is of course welcome, but does he really think that the uplift is not required beyond September? He has probably never gone around a supermarket trying to decide which basics he can afford. Well, I have, and I can tell him the difference that £20 a week would have made during those times. In contrast, we see the Scottish Government introducing the Scottish child payment of £10 a week for every child under six. We want a commitment that this uplift will be permanent and that it will apply not just to those on universal credit, but to those on legacy benefits, so that children can be fed. Then we can talk about meaningful learning.

Finally, I want to talk about the children of Yemen. The UN tells us that the humanitarian crisis is the worst in the world, with 80% of Yemen's population in need of humanitarian aid, 4 million displaced, and 400,000 children under five at risk of dying from malnutrition. Amid this crisis, the Government make manifesto-breaking cuts to international aid. If this is the best that global Britain can deliver, it is no surprise that Scotland is choosing a different path. One of the strengths of the UK was a commitment to international development. The situation in Yemen is critical. A tiny proportion of our borrowed funds must be shared with the world's most desperate.

4.17 pm

Judith Cummins (Bradford South) (Lab): It is welcome that the Chancellor has committed to keeping key elements of the support packages in place until September, but businesses and families in my constituency need certainty that they will not once again be placed into local restrictions that hurt our local economy, because last week the Prime Minister left open the possibility of returning to local restrictions in order to contain new variants. I urge the Government to deal with this national crisis with national measures.

During the local lockdown in Bradford, we had the perverse situation of people being able to travel to nearby areas to shop, have beauty treatments and go to the gym, all while our local businesses were forced to close. Closing local economies in this way causes permanent economic damage, and many of our businesses may never recover. This unfairness must not be allowed to happen again. Instead, we need a plan for unlocking and recovery; a plan that closes rather than widens the growing gaps in our economy. That is not what this Budget delivers.

On the issue of rebalancing our economy, I was disappointed to see no commitment to Northern Powerhouse Rail in this Budget. Nothing is more critical

[Judith Cummins]

to Bradford's long-term economic success than securing the Northern Powerhouse Rail line with a city centre stop in Bradford. In recent years, I have asked Ministers 11 times to confirm that this transformational project will go ahead and, crucially, that it would include Bradford. Time and again Ministers have responded with warm words but no action, and now I worry that we are seeing emerging evidence of this Government backing away from their previous commitments to invest in my region and my city. First, the Government asked Transport for the North not to submit its outline strategic business case, as was planned. Then there are suggestions in the media that the Government are considering a cheaper route that bypasses Bradford, does not include a city centre stop and does not even involve a new line at all. Let me be very clear: upgrading existing lines will not fulfil the manifesto promise that the Government made, nor will it provide the infrastructure improvements that the great cities of the north need. A route that misses out Bradford would be a huge mistake. That matters for opening up our economy, for rebalancing our economy and for the job prospects and opportunities for the people in my constituency. It is time for the Government to deliver.

4.20 pm

Mr Andrew Mitchell (Sutton Coldfield) (Con): I draw the House's attention to my external interests as set out in the register. I have come this afternoon to praise what I think is an excellent Budget. If you listened carefully, Madam Deputy Speaker, to the two main Front-Bench speeches, it was clear that they do not in truth think that much of it is wrong.

This has been a year in which truthfully the Government have used taxpayers' funds to protect livelihoods, help business and help the least well off, and it was additional relief today to see that unemployment was not as bad as many of us feared. The first point I want to make is that this is an excellent Budget that will contribute greatly to Britain coming out of recession and out of this crisis over the coming months.

The second point I want to make is that I listened carefully to the speech of the right hon. Member for Birmingham, Hodge Hill (Liam Byrne). He is clearly in campaigning mode, but one of the real winners from the Budget today is the west midlands, and it is a huge tribute to Andy Street, the brilliant mayor that we have. He and I have lobbied the Chancellor together, as have many Members of Parliament in the region.

Andy Street has done a brilliant job, and what today shows is that he is brilliant at getting the Government to deliver for the west midlands. He called for apprenticeships incentives. He called for extending furlough. He called for an extension of the VAT cuts for hospitality and tourism and for cash grants for businesses reopening. There is nearly £100 million for the Black Country town and city centres—a particular issue that he championed—and £59 million for stations to be opened. I express my very strong support for the wise way in which he is delivering for the west midlands, and in particular I support his transport plan. We will of course be looking for more in future as we seek to reopen the Sutton Park line, but the Budget today is a triumph for the efforts and hard work of a brilliant mayor who is delivering for the west midlands and everyone who lives there.

My third and final point is that I was hoping the Chancellor would announce today that this was not the year to cut the 0.7% promise. We have seen vividly over recent days in Yemen what the effect of that cut will be. Launching global Britain post Brexit means it is not the year to do it. Being in the middle of a global pandemic emphasises that it is not the year, and our chairing of the G7—we are the only country in the G7 that is cutting development spending—also shows it is not the year. We would be breaking our promise to the poorest people in the world, were this cut to go ahead.

Every Member of this House was elected just a year ago on a promise to stand by 0.7%. It reflects our economic circumstances, and it has gone down so much, as it must, because the economy has contracted. That is a big enough cut. I very much hope the Government will think again. They must at least check with the House and have a vote in the House. Brexit is about giving more power to Parliament. The law of the land is 0.7% and it needs parliamentary assent for any change.

4.23 pm

Caroline Lucas (Brighton, Pavilion) (Green) [V]: This is the last Budget before the UK hosts the COP26 climate summit in November, before it presides over the G7 and before it takes part in the global biodiversity summit. In that context, the Chancellor should have embraced the enormous potential for a fair and green recovery, to create hundreds of thousands of jobs and to shift our economy on to new sustainable foundations.

Climate leadership means deeds, not words. It means following the science on the speed and scale of the investment required to meet climate goals and halt the loss of biodiversity. The question is not whether we can find a climate initiative here or a mention of green spaces there—I welcome the progress on green bonds and the investment bank. The question is whether, as a whole, this Budget addresses the climate and ecological emergency with anything approaching the ambition or urgency required, and it gives me no pleasure to say that it does not. It is alarming and disappointing to see the Chancellor doubling down on economic dogma that is fuelling the fires of the climate crisis and making our society more unequal and less resilient. Because the Chancellor has failed to make space for nature in his Red Box, we are missing out on thousands of jobs that a national nature service could create, for example. More fundamentally, as the Treasury's own Dasgupta review, "The Economics of Biodiversity", explains, biodiversity loss is

"undermining nature's productivity, resilience and adaptability ... fuelling extreme risk and uncertainty for our economies and well-being."

I say in all seriousness that our nation's health and prosperity would be better served by a Chancellor who cared rather more about hedges and hedgehogs and less about hedge funds.

I would like to highlight three big omissions from this Budget. First, we needed a climate and nature test so that all spending and fiscal measures could be aligned with limiting global heating to 1.5° and with the UK's other environmental goals. The idea that the Treasury already accounts adequately for nature is farcical. If that were the case, the Chancellor would at the very least be restoring funding for the green homes grant. It is shameful that this scheme is being allowed to wind down. We need it.

Secondly, we need transformational investment to create green jobs. With unemployment rising and so much needing to be done to create a fair and green economy, we could have been investing millions. For example, £48 billion over 18 months could have created over 1 million good green jobs. In the US, Joe Biden has a \$2 trillion plan to address the climate emergency. Maybe there has been some kind of spreadsheet error here in the UK.

Finally, in this Budget and beyond, the Chancellor must act on the conclusions of the Dasgupta review. He must respect the fact that we should be having a wellbeing Budget and shifting towards an economic approach fit for the 21st century that is not fixated on GDP growth but properly puts wellbeing and the health of people and the planet at the heart of the Budget.

4.26 pm

Laura Trott (Sevenoaks) (Con) [V]: The first and most important thing that we need to do today is to focus on the real-world impact that the measures in this Budget will have. Jenny Pollard lives in Otford in my constituency. She runs a nail business. She is self-employed, and her first year of trading was 2019-20. The announcement today means that she can access full support for the first time, which will be a lifeline for her and for her business. The Royal Oak pub, Marco's and the Danish Collection are all brilliant businesses in my constituency whose trading has been affected through no fault of their own in this pandemic. The restart grants are exactly what they need to help them to reopen, and exactly the type of support that we have been asking the Chancellor for.

This comprehensive and welcome package of support comes at a cost, however, and we must be honest with the British people about that. Labour Members talk a lot about fiscal responsibility, but they have not set out anything that is fiscally responsible. In contrast, what we have done today is put forward a clear plan for how we are going to start to pay for this support. It is a plan that provides much-needed certainty for business and protects those who need it the most. I particularly welcome the plan to shelter the smallest companies from the corporation tax rise.

More than that, we know that the best way to recover is to grow. My hon. Friend the Member for Hitchin and Harpenden (Bim Afolami) and I have published a proposal for accelerator zones to encourage regional growth. The paper talks about the need for high-skill visas, incentives for investment and networks of support, and I was delighted to see many of those themes being picked up today. We know that this country has a long-term issue with productivity, so these measures will help to address the structural barriers that have been holding our country back.

I was surprised to hear the Leader of the Opposition complain about a lack of a credible plan to tackle unemployment. The OBR has been clear that our interventions have led to 1.8 million fewer people being out of work than would otherwise be the case, but the right hon. and learned Member for Holborn and St Pancras (Keir Starmer) seems to be confused about how to tackle unemployment. It is businesses that create jobs and it is businesses that support employment. To tackle unemployment, we must support businesses and business investment, and with the super deductions, the restart grants, furlough and the business rates holiday, we are doing exactly that—proof, if any more were needed, that this is a Budget for the recovery, now and also beyond.

4.29 pm

Karin Smyth (Bristol South) (Lab): We have learned a lot about the Chancellor over the last few days, beyond the flashy videos. When asked about the eat out to help out and the summer schemes any decent person would have stopped: they would have reflected; they would have said that they had learned and that they had made mistakes. That dreadful graph of the rise in deaths through last autumn into the winter, and after the Prime Minister promised we would not cancel Christmas, is a shameful graph—it is shocking—but we have heard no contrition and, worse, we have heard nothing about any lessons being learned. That is an affront to our country, particularly to those of us who have lost a loved one too early from this virus.

The Chancellor has said that he will be honest; well, let's be honest. The Tory Government in 2010 choked off our recovery: they cut back the services we depend on, and the productivity problem we had then has got worse. He said today that it is not enough to desire increased productivity. Well, I agree with him on that, but he has done nothing to support it, particularly for young people: the education maintenance allowance was scrapped then, and early-years Sure Start was taken back far too early. We still have lower skills levels, further education is still not properly funded, and the post-16 per pupil level is still, shamefully, too low. Much more is needed to rescue the apprenticeship programme; I welcome the increase, but that is not enough to ensure that that programme gets back on track, and young people have lost so much in this time.

I would like to take a moment to thank an organisation, Youth Moves, in my Bristol South constituency, which has supported those young people. It is up for an award tonight, and good luck to it, but it needs much more help.

What we needed was a fix for those years of under-investment in Bristol's environment and skills; what we got was a sticking plaster that goes nowhere near what we need to support our problems; no support for the west country. Either they are expecting to win the metro Mayor election or they just do not care.

We needed action; we did not get it. Given the environmental crisis, the green growth we should be pursuing in order to help young people should have been front and centre of this Budget, but it has not been. The City of Bristol College is ready with its advanced skills construction centre but, again, it needs more support to bring people in to help train young people for the jobs of the future. The road map needed to go hand in hand with public health restrictions. People need to be confident about going shopping, about leisure, about getting on the bus, but the Chancellor does not understand the link between the health of the economy and the health of people.

Finally, may I just mention—perhaps the Minister will give an answer on this in his response to the debate—that we were hoping to hear about the Temple Meads development in Bristol today? It is crucial to the development of that part of our city, and it would be helpful if he let us know as soon as possible whether it is part of this or, yet again, whether the west country is to be let down by this Tory Government.

4.32 pm

John Penrose (Weston-super-Mare) (Con) [V]: I support this excellent Budget for three main reasons. First, the Chancellor said at the start of his speech that he did not

[John Penrose]

want to set out his fiscal rules right now but was committing to a principle of no borrowing for everyday spending, and that is absolutely essential given where we are at the moment—given the huge amount of extremely generous, much-needed help and support over the course of the last 10 or 12 months during the pandemic. It is clear that in the course of the last 10 or 12 years we have had two once-in-a-century events—external economic shocks—and we have only been able to be as generous as we have and have been able to provide the kind of open-handed essential support to keep jobs and businesses alive because we had fiscal firepower and the Treasury could draw on sound money and the sound Government finances that had been built up over many years. It is absolutely essential, therefore, that we go back to that as soon as we can in order to ensure that when, not if, the next one comes we are equally prepared.

Secondly, I am happy to support the Budget because the Chancellor announced the super deduction for business investment. Economists rarely agree on very much, but one thing they all agree on, whether from the political left or right, is that Britain invests too little in its economic growth; we live as a high-rolling economy, basing our economic growth far too much on domestic spending and not on investment. Therefore, measures to try to improve that and change it permanently and forever are absolutely essential. The Chancellor rightly pointed out that we languish down at 30th place in most international tables of business investment. This measure will vault us up in to the top few, perhaps even to the very top spot, in international investment in long-term growth. That is one of the fundamental things that will not just drive economic growth, but make those jobs that I was talking about permanently competitive and safe for the long term. That will ultimately be the only thing that allows us to have an economy that pays for the public services that we all want.

The final reason why I am happy to support this Budget is that it is given by a Chancellor who understands that it is about not just tax and spending, but competitiveness. Why do I know that? Because he, together with the Business Secretary, recently commissioned me to produce a report on competition, competition policy and making our economy more competitive. It is that kind of supply-side reform that we will also need to make sure that we have an economy fit for the future.

4.35 pm

Alex Sobel (Leeds North West) (Lab/Co-op): This Budget is made in the context of the UK having the worst economic performance during covid of any major economy and the highest death toll per capita. The Government have failed to protect the nation's health or its economy. However, as the chair of the net zero all-party group, I have called for an infrastructure bank and, as a Leeds MP, I have called for that to be in Leeds, so I am pleased that one thing that I have lobbied for has come to fruition. My experience on the Environmental Audit Committee in looking at the performance of the Green Investment Bank, sold to Macquarie in 2017, means that I will scrutinise the detail of the bank's capitalisation, mission and governance very closely to ensure that it supports net zero and biodiversity, and is not greenwash.

Tourism supports 3.1 million jobs in the UK, and I am pleased that the Chancellor has announced measures to support the tourism industry, including the extension of furlough and the extension of the reduced rate of VAT. That will be of some comfort to the sector after months of uncertainty and last-minute announcements. However, these announcements were again made at the 11th hour, with the current measures running out in just a few weeks. The Chancellor's announcements fall short of Labour's calls for 100% business rates relief for retail, hospitality and leisure to be extended in England for at least a further six months from July. We need more support for our tourism sector than has been offered today.

Although I am trying to take the positives from the raft of measures today, the reality is that many of the Chancellor's previous announcements, promises and funds have been sorely lacking, with money promised but never arriving. I hope that this Budget does not repeat those mistakes. A glaring example is the zoo animals fund. Only £5 million of the £100 million promised has been spent. It is hard to know whether this is wilful penny-pinching or unbridled incompetence. Either way, it has meant that zoos have had to make painful cuts to their operations, including conservation, education and research work, in order to prioritise animal welfare. This is putting the lives of our zoo animals at stake, but it is not just about animals. The same goes for the green homes grant, where vouchers have been issued very slowly or not at all, and installers have not been paid in a timely way, risking that industry as well.

People have been left suicidal by a lack of support. The Chancellor may remember receiving a letter from Stephen Liddell, one of the 3 million taxpayers excluded from meaningful support during the pandemic. He said:

"I paid my taxes for 2019-20 in May as I am a good person. Yet I have received zero help and support, absolutely nothing."

Will the support announced today reach Mr Liddell, as only 151,000 people out of the 3 million excluded, according to the Office for National Statistics, will receive any support? I hope so and I am sure that we will hear from Mr Liddell in due course.

At a time of crisis, those in charge have a duty to act. They also have a duty to listen, understand and admit when the tack needs to change, and, on some of these measures, that is what needs to happen.

4.38 pm

Andrew Jones (Harrogate and Knaresborough) (Con): The Chancellor has one of the hardest tasks that any Chancellor has faced in decades, with economic circumstances more typically associated with wartime, but with this Budget, he has shown vision and I congratulate him.

The first key theme was the welcome and necessary extension to the support given to families and businesses. It is huge in scale and I would like to put on record the fact that I am very pleased that this support will continue. The extension of furlough, business rates holidays, self-employed grants and universal credit are all very welcome.

Harrogate and Knaresborough has a significant hospitality and tourism sector, which has been badly affected by the pandemic. High-quality businesses have been utterly unable to trade, so I was very pleased to see the VAT cut to 5% extended to 30 September and will

then be down at 12.5% for a further six months after that. That reduction will boost demand. Boosting domestic tourism will certainly help, but there is also significant pent-up local demand that the measure will help to unlock, thereby underpinning thousands of jobs.

Rather than comment on the Budget as a whole, I wish to comment on just two areas. First, I was pleased that the north has been chosen as the base for a UK first: the national infrastructure bank, the creation of which is very positive. We knew it was coming, but I did not know it was going to be based in Leeds. It is great news for the city and will bolster its established financial services and legal hubs. As the bank will serve the rest of the UK, we need the eastern leg of HS2 to connect to Leeds and must make sure that can happen more easily. As the Chancellor said, the bank will have an initial capitalisation of £12 billion. We will see investment in public and private projects and it will be a driver of green growth, which leads me to the second area on which I wish to comment.

On environmental initiatives, I like the Budget's continued focus on offshore wind and the investment hubs in Humberside and Teesside, but what also caught my eye was the launch of a green savings product—a retail product of which we can all take advantage—and I look forward to the detail on that. The people of Harrogate and Knaresborough want to see progress on the environment.

I conclude by commending the Chancellor on his Budget. The scale and speed of the response to the crisis has been astonishing—£407 billion is a remarkable figure—but I also welcome the clarity on the longer-term position of our public finances. Conservative Members know that the Chancellor is in a position to respond as well as he has done because of the repair work done over the past decade. A moment ago, my hon. Friend the Member for Weston-super-Mare (John Penrose) highlighted the fact that we have had two supposedly once-in-a-century events in just over 10 years. The lesson is that financial responsibility allows Governments to respond to crises, and to respond at scale. It will be a tough job to repair the public finances after this pandemic, so it was good to see the focus on growth in the short, medium and long term.

4.41 pm

Ben Lake (Ceredigion) (PC): We were promised levelling up—a Budget that would stimulate our recovery and lay the foundations for an economy fit for the future. The Chancellor is to be commended for listening to several of Plaid Cymru's calls to extend the emergency support for businesses and families. It would have made no sense to withdraw that support while we were still in the throes of the pandemic, so I welcome the extension of many business-support measures. However, I am concerned that despite the changes to the self-employment income support scheme, hundreds of thousands of people are still deprived of any support. Although welcome, the delaying of the cut to universal credit will still lead to 26,000 families in Wales not being able to afford essentials in six months' time. This was a chance to protect families' budgets by making the uplift permanent.

The Budget raises further questions about the gap between the Government's rhetoric and reality. According to the Government, the shared prosperity fund and the levelling-up fund are going to turbo-charge the Welsh economy and empower our communities, yet

only £220 million is allocated to the shared prosperity fund pilot—to boost the entire UK. Wales alone received around £375 million a year in needs-based funding from the EU schemes, yet now it will be expected to compete for a much smaller pot of money.

What is worse, the prospectus for the levelling up fund suggests that the number of MPs will determine the number of bids that can be made from Wales. Given the fact that the Government have reduced the number of Welsh MPs by a fifth, how on earth are we to believe they can keep their 2019 manifesto promise to give Wales at least as much funding as we have received from European structural funds? With no reference made to the Welsh Government, we must conclude that the decisions on how the funding will be spent—the power, if you like—will again be centralised in the Treasury. That strikes me as yet another example of a “Treasury knows best” mentality, despite the fact that it has delivered an economy riven with some of the worst regional inequalities in the western world.

Of equal concern is the Budget's underwhelming green measures, as the UK joins rather than leads the green transition. For Wales to achieve our net zero commitments, we urgently need to start by retrofitting more than 100,000 homes, to expand and electrify our rail network and to provide gigabit broadband connection throughout Wales. If the Government are serious about their levelling up agenda, they must act on their rhetoric by decentralising power from Whitehall. Given the right economic tools, Wales can deliver a truly transformational low-carbon infrastructure stimulus package itself, and pave the way for an economy that is truly fit for the future.

4.44 pm

Damian Collins (Folkestone and Hythe) (Con) [V]: I welcome this Budget, which has sought to strike the right balance between helping businesses and individuals that have been badly affected by the coronavirus, providing support as we transition this year through the lifting of the covid social contact restrictions, and setting out a plan for how the burden will be shared as the Treasury seeks to reduce the Government's annual borrowing requirement. I know that many retail, leisure and hospitality businesses in my Folkestone and Hythe constituency will welcome the extension of their tax reliefs and the announcement of the restart grant scheme. It is also right for the Chancellor to extend the uplift in universal credit and working tax credit that was introduced last year.

In looking to reform business taxes, it is important that any increases over the next few years are borne fairly and that those who can most afford them pay their fair share. However, we know today that that is not always the case, and the lever of increasing corporation tax, which may have worked in the past, may not work quite so well when we have major companies, particularly in the technology sector, which avoid paying a level of taxes commensurate with the value of the business that they do.

In this year of coronavirus, some of the biggest winners have been the major online retailers—companies that pay relatively little in corporation tax and in business rates compared with the high street businesses that increasingly they compete against. I welcome the super deduction for business investment, but we may see that some of these companies were already planning to

[*Damian Collins*]

make big investments—companies such as Amazon investing in new warehouses and facilities—and will do so now and recoup even more off their tax bills. We need to think about how we can effectively tax businesses that operate online and through multiple jurisdictions, so that they pay a level of tax that is relatively fair for the business that they do and is on more of a level playing field with the businesses in our communities with which they increasingly compete.

We also need to reform the way business rates work, taking into consideration that the size of premises in a town centre is not always a good indication of the value of the business that is done. We need to look in the future to reform workers' rights, particularly following the ruling by the Supreme Court about Uber, so that businesses that are in effect employing people are also paying the sort of employer contributions, taxes and employer national insurance that other businesses are asked to make.

As this year the Competition and Markets Authority establishes its digital markets unit, we need to make sure that big companies such as Google, Facebook and Amazon are not abusing their market power, and therefore creating inbuilt costs for consumers through charging advertisers too much. We also need to ensure that workers get their fair share. Fair competition for British businesses looking to compete in the tech sector is important, and we need to reform our competition law to make sure that is possible. That will be an important part of making sure that we can build back better after the year of covid.

4.47 pm

Dame Angela Eagle (Wallasey) (Lab) [V]: Since the Chancellor's first Budget last year, this country has suffered a brutal pandemic and a severe economic crisis. He now presides over an economy that is 10% smaller than it was last year—the largest fall in 300 years—with a deficit that has ballooned close to 100% of GDP, the largest ever amassed in peace time, and the biggest squeeze on wages since the Napoleonic wars. Tens of thousands of businesses are teetering on the brink, not knowing whether they can even survive till the end of the current lockdown. Investment is plummeting, and unemployment is predicted to rise to nearly 7% this year and not recover its pre-pandemic level until 2024. One quarter of people in this country now live in poverty, as does one in three children. Food bank use is soaring, and destitution has doubled.

The Chancellor has presided over a horrific double whammy: the largest fall in GDP in the G7 and the highest per capita death toll in the world—123,000 dead and rising. This is not a record to be proud of, but the Chancellor thinks it is appropriate to issue self-congratulatory, glossy propaganda films, patting himself on the back for his success. Using this sombre moment to burnish his own brand and declare his leadership ambitions to his own Back Benchers just shows how out of touch with reality he really is, and it leaves a bad taste in the mouth. It is almost as bad as having a Prime Minister who thinks it is appropriate to set up a charity and ask rich donors to pay the costs of a lavish refurbishment of his Downing Street flat. For him, it seems, charity really does begin at home.

This is not a Budget as we know it. The Chancellor has announced no fiscal rules against which we can judge his performance. He has created a tax day later this month, so that he does not have to spoil his big day in the sun announcing all the giveaways. We cannot even take him at his word on his past announcements. Take kickstart—the Chancellor wore a fetching branded sweatshirt at the press launch in September, but we have since learnt that the scheme has created just three jobs a day to replace the 293 jobs lost daily. The Government have also announced major transport infrastructure plans for the north 60 times so far, without one single spade touching the ground or one single job being created.

We know that this Government want to return us to the same insecure economy and unequal country that has been thrown into such sharp relief by the virus. The Opposition know that the only way forward is to create a more socially and environmentally sustainable economy—a fairer country. We also know that, despite the gloss and the PR, the Chancellor has not grasped this fact, so he cannot and will not be able to build a society and a future fit for all.

4.51 pm

Sir Edward Leigh (Gainsborough) (Con): I cannot agree with the hon. Member for Wallasey (Dame Angela Eagle). I personally believe that, faced with the most severe challenge for any Government since the second world war, this Chancellor and his Budget are entirely realistic. We are and must remain the party of sound Budgets, and we must return to borrowing only to pay for investment. That is our long-term aim, but faced with this pandemic, we have to make accommodations.

Although I commend the Chancellor for his Budget, the most important thing, of course, is to get the economy moving again and get us out of lockdown. The success of the vaccine roll-out, which will get the economy moving, has been absolutely staggering. Only this morning, I went to Lord's cricket ground—probably the only time I shall ever be invited there, to the executive suite—for my second jab. I was in and out literally within 10 minutes. Like all the wars we fight, perhaps we do not perform very well at first, but we exit well; we have exited this war against the virus more effectively than any other country in Europe, and that is down to this Government and this Prime Minister.

As with all Budgets, we have to be realistic. I may make some gentle criticism, but I fully accept that the Chancellor has been faced today with an impossible task.

Sir John Hayes (South Holland and The Deepings) (Con): In making those gentle criticisms, I wonder whether my right hon. Friend will challenge the Government on the issue of small businesses that now have to pay VAT when dealing with the European Union. They can reclaim it, but there is a delay, which brings cash-flow problems. I am mindful particularly of the heritage craft sector, from blacksmiths to silversmiths and so on; they do so much for our economy and employ nearly 200,000 people.

Sir Edward Leigh: My right hon. Friend makes an entirely valid point. One of the points that I want to make in my short contribution is that we have to accept that the high street and small businesses have moved on.

The truth is that we have a very unequal tax system. Giants such as Amazon are paying an infinitely small proportion of their profits and turnover in business rates, and are driving small businesses and shops out of the high street. I personally think that there is something to be said for abolishing business rates all together. How would we pay for that? We could actually pay for it through a 3% increase on VAT on all businesses. That, of course, would hit the very large businesses such as Amazon, which pay derisory levels of tax, very hard indeed. My right hon. Friend makes a very fair point.

May I repeat what I say in every Budget? Perhaps I am a bit of a broken record on this, but I do believe in transparency, and I believe that ultimately we should try to reform our whole tax system. The TaxPayers' Alliance has counted 1,651 tax changes since May 2010, including: 58 changes to air passenger duty; 130 changes to national insurance; 68 changes to stamp duty; 256 changes to VAT; 53 changes to tobacco duty; and 258 changes to vehicle excise duty. Our tax code is 17,000 pages long—or it was in 2015; it is even longer now. We should compare that with the tax code of an enterprise economy such as Hong Kong, which is only 350 pages long.

As things get easier next year, my plea to the Chancellor is to make our taxes clear, simple and fair. Tax complexity creates a structural bias in favour of the very rich and the big corporations, and that is not fair. Global giants can hire entire departments of tax advisers. I therefore agree with my right hon. Friend the Member for South Holland and The Deepings: let us look after middle-class people, who pay PAYE and bear the brunt of all tax increases, and let us direct tax increases at those who can pay, namely the digital giants.

Madam Deputy Speaker (Dame Rosie Winterton):

Before I call the next speaker, I should explain that we are trying to get everybody into the debate. When there are interventions, if the speaker sticks to the time limit, that is fine—there is nothing against interventions—but the intervention on the right hon. Gentleman has effectively prevented a colleague from getting in. I am just pointing out that we are that tight on time.

4.55 pm

Tracy Brabin (Batley and Spen) (Lab/Co-op): This could have been a transformational Budget to help us recover from the Government's chaotic response to the pandemic—a Budget that understood that, for the country as a whole to flourish, regions such as West Yorkshire, which have paid a disproportionate price under extended restrictions for longer than other places, will need enhanced support. Our NHS staff and key workers have worked flat out, without respite, for over a year. Our high street businesses have not been able to get back on their feet while other parts of the country enjoyed more freedoms between lockdowns. Our food banks have seen record levels of need.

Our recovery therefore needs to be different from that of other places. We need support, compassion and a long-term, strategic, properly funded plan, which puts health, education, social care and skills at the centre of our recovery. Sadly, we heard none of that from the Chancellor today. Instead, we had a Budget that tinkered around the edges of levelling up. For all the spin, photo opportunities and grand gestures, our nation's recovery from covid will not be equal across our regions.

Of course, the Chancellor could say that the first round of levelling-up funding is now open and that we should apply. As the Mayor of West Yorkshire, hopefully, in May, I will take every opportunity to get investment for our community, but the Chancellor needs to know that we have heard those promises again and again, only for the Government not to deliver.

We have grown weary of projects announced and reannounced without a shovel going into the ground—schemes decided in Westminster, pitting regional leader against regional leader; money promised, but when we look closer, it is not what it seems. Analysis done by my hon. Friend the Member for Barnsley Central (Dan Jarvis) shows exactly that: the local growth fund, worth an average of £1.5 billion a year will be replaced with the levelling-up fund, worth an average of £1.3 billion over the next four years—less money.

Our recovery cannot be delivered from Westminster. As a proud Yorkshirewoman, I know that we do not want to come to Government with a begging bowl; we want to be treated fairly—to get a fair slice of the pie so that we can flourish and grow our way out of this recession. With only three Labour areas listed as recipients of the towns fund, we can see through the cynical pork barrel politics. West Yorkshire's recovery from covid represents a pivotal moment, where historical imbalances must be rectified rather than further entrenched.

Having campaigned with others to bring the National Infrastructure Bank to West Yorkshire, I am pleased that the Chancellor agreed to locate it in Leeds, bringing jobs and investment, but for it to work, it must be part of a bold and innovative plan to end the north-south divide. When the spinning has stopped and the news agenda has rolled on, today's Budget will be judged by the people who need it to work for them.

4.58 pm

Mr Philip Hollobone (Kettering) (Con): I welcome the Treasury's continued commitment to the hospital building programme, which has resulted in promised commitments to Kettering General Hospital of £46 million for our new urgent care hub, £350 million in health infrastructure plan 2 funding for 2025-30, and a write-off last year of £167 million of trust debt at the hospital.

However, promises are one thing and delivery is another. I know that the Chief Secretary to the Treasury has the words "value for money" tattooed all over him. The Treasury has an infrastructure delivery taskforce, which has been code-named Project Speed. I invite the Chief Secretary to ensure that Project Speed is fully involved in the redevelopment of Kettering General Hospital. The problem that the hospital faces is that these two funding streams—£46 million for the urgent care hub and £350 million for the phased rebuild—are not meshing together. Building the original urgent care hub is no longer an option on a stand-alone basis, because there would not be enough room on the site for the HIP2—health infrastructure plan—funding, so the value-for-money solution is to integrate the two funding streams.

Kettering General Hospital is ready to go on this. It owns the land, so no land deals are required, and no public consultation is needed. It has written support from local planners and the regional NHS. It is a phased approach that would deliver visible and real benefits. It is shovel-ready and has far lower risks than

[Mr Philip Hollobone]

other hospital build projects. In developing this whole-site plan, the hospital has identified the best way of delivering value for money to get these buildings up and operating, serving local people. However, the hospital is being told that it is not allowed to mesh the two funding streams together, and the result could be that we do not have an urgent care hub and we have a delay in the HIP2 funding.

Will the Chief Secretary to the Treasury please investigate the issue and engage Project Speed, so that Kettering people can have the long-awaited hospital rebuild that we have been promised and that will be so valued in the local community? The Treasury needs to be flexible in its funding streams. Let us have an early advance of the HIP2 funding and permission to mesh it with the £46 million funding for the urgent care hub. Then we can have a hospital that Kettering will be proud of.

5.1 pm

Alex Davies-Jones (Pontypridd) (Lab): Only a few hours ago, the Chancellor spoke about wanting this country to be a scientific superpower. I hate to dampen his ambitious spirit, but it is clear that he needs an urgent reality check—one that I am more than happy to provide. Let me be clear, because it really is quite simple: people across Wales and the UK just want to be able to work and earn a living without severe financial stress or strain. Yet wages have stagnated for over a decade, and millions of children are in poverty at the hands of this Tory Government. I am appalled, frankly, that it has taken a global pandemic for financial inequalities finally to be reaching the Government's discourse. But as they say, talk is cheap.

This Government have been um-ing and ah-ing for weeks on whether to continue the £20 uplift in universal credit, which has been a lifeline for so many in recent months. More than 5,500 people in Pontypridd are receiving regular universal credit payments, and I often receive heartfelt messages from desperate residents urging the Chancellor to scrap the cut once and for all. The Government have finally admitted today that the previous levels of universal credit were simply not enough for people to live on, yet they are still pursuing a policy that undercuts the very system that is designed to protect our most vulnerable.

While the extension to the furlough scheme is welcome, for workers in the aviation sector at the General Electric and British Airways sites in Pontypridd, it is yet another case of too little, too late. That is despite months of warnings from trade unions, such as Unite, which are doing their very best to support workers through this extremely uncertain time. In addition, the Chancellor's announcement on extending the self-employed income support scheme is broadly welcome, but what does this Budget really do for the 3 million people who have been excluded from support thus far?

Clearly, the Chancellor values the skills of his own videographers, stylists and photographers, so when will he extend the same respect and courtesy to the creative sectors across the UK? The Welsh Labour Government have not only offered the most generous business support package of any country in the UK, but crucially supported those sectors, and the support has been specifically targeted. Once again, I find myself in this Chamber urging the UK Government to follow where Wales leads.

More often than not, I find myself asking, "Just where are the women?" We know that traditionally female-dominated sectors, such as hospitality, have been hit hardest by the pandemic. Sadly, pregnant women and new mothers have also faced unimaginable challenges during this crisis. They have been left high and dry by this Government. Mothers are more likely to have been furloughed and to face redundancy. The Government urgently need to do more to halt the unequal impact of their policies on women.

Finally—not to sound like a broken record—after nearly a year of myself and MPs from across Rhondda Cynon Taf pushing the Government to make good on their commitment to communities affected by devastating flooding, there are still questions that urgently need to be answered. I urge the Government to stick to their word and continue to make funding available for communities such as mine that are still recovering.

I fear that once again we are seeing a Tory Government playing politics with the lives of the worst-off, having learnt none of the lessons of this pandemic. I for one will continue to do everything I can to push them to choose a better path.

5.4 pm

Nigel Mills (Amber Valley) (Con) [V]: I join others in welcoming this excellent Budget, which strikes the right balance between trying to see us through the rest of the covid pandemic crisis and starting our response to what will be a pretty horrible set of public finances by the time we finally emerge. The sheer scale of the spending, the deficit that we have ended up with in this financial year and the one we will end up with next year should be pause for thought for all of us every time we ask for more tax cuts or public spending increases, because clearly they will not be affordable on any great scale for a very long period.

The Chancellor was right to extend all the various protection measures until well after we think lockdown will finally end. I warmly welcome the extension to furlough and the self-employment income support scheme, and I especially welcome 2019-20 tax returns being used to bring in those people who changed their occupation during that year. I hope that, when the grants are calculated, the income from that year will be used as one of the three years for the average for all claimants, so that they can have a more realistic assessment of what their earnings were, rather than it being based on years that can be quite a long time ago for some.

I also warmly welcome the £20 a week uplift to universal credit being retained, which I and the Work and Pensions Committee, on which I serve, called for. I see why the Chancellor chose to retain it for six months, so that he can wait and see how the job market and the economy are performing at the end of September. However, in a situation where we think we will need furlough until the end of August to protect jobs from redundancies, it is quite hard to see that there will be lots of new recruitment going on by the end of September at a scale that means we will not need that uplift to be around for a while longer. But we should be grateful that the Chancellor listened and has extended that uplift, which is much needed and much welcomed. I urge him to use the six months or the rest of this financial year to have a proper review of the levels of welfare in this country, so that we can work out whether we think UC, without

that uplift, is giving people the right amount of money to have the decent kind of living that we hope. If it is not, we should retain the uplift more permanently.

Finally, on the corporation tax measures, the answer that the Chancellor has come up with to the puzzle of how we get businesses investing is a really interesting and innovative one. A 130% tax deduction for capital investment is a super idea, and I hope it works. I think that it is what businesses will call for and will need, and it balances out the decision to raise corporation tax. At a time when we have spent literally billions of pounds on saving businesses from going bust by paying their wages, it is entirely fair to ask them to pay higher corporation tax for a few years to repay that. On balance, this is an excellent Budget and I will be happy to support it.

5.7 pm

Jessica Morden (Newport East) (Lab) [V]: As always with Tory Budgets, the devil will be in the detail. As the Leader of the Opposition rightly pointed out, what was announced today is the Chancellor papering over the cracks, not rebuilding our foundations. It is not a long-term plan to tackle the deep-seated problems of insecurity and inequality that this Government have presided over.

We have become used to Tory pledges of so-called new funding for Wales unravelling as soon as they are made. We saw that in January, when the Chancellor trumpeted an additional £227 million for Wales, only for the Secretary of State for Wales to have to admit within hours that it was not new money at all but funding repackaged and reannounced.

On the shared prosperity fund, we still do not know today whether the Government will make good on their promise to the Welsh people that we will receive not a penny less than we would have received in crucial EU structural funding. The Government's plan to cut out the Welsh Government and run funds themselves is not respecting the devolution settlement. We need this Government to work with, not against, the Welsh Government and put those funds to best use, where they are needed most.

This comes at a time when this Tory Government would do well to learn from the example of Wales. The Welsh Government have provided the most generous support package for business and workers in the UK. In contrast, this Government have excluded 3 million people from support schemes for nearly a year. Moves to help the newly self-employed are welcome, but why has it taken a year to hear the loud pleas of those left out? As ExcludedUK has said, when the Chancellor promises to do

“whatever it takes to support British people and businesses”,

that is

“the phrase that sticks most in the craw of many”.

Nor is there any credible plan to ease the burden of debt in so many businesses, which will hamper growth.

I hoped to hear today some good news on rail infrastructure funding, which is so important in south-east Wales. Wales accounts for 11% of the UK network but, under this Government, gets only 2% of rail investment. This chronic underinvestment was specifically identified by Lord Burns and the South East Wales Transport Commission's recent report as something for this Government to fix, with work on the South Wales relief lines crucial, and new stations for Magor, Llanwern and Somerton as part of the plan. This Government appear to be ignoring their own responsibility to do this.

There can be no post-pandemic economic recovery without a strong and healthy UK steel industry, but distinct measures to benefit the steel industry were thin on the ground today. While the Chancellor has belatedly extended the £20 uplift in universal credit, this will only last until September. That means that the threat of losing £1,000 a year will still hang over 6 million families, just as the extension to furlough ends. Is this what the Chancellor meant in his statement by “going long to help”? What about those on legacy benefits—where is the support for them? There is still no news on scrapping the six-month rule for those who are terminally ill.

In Newport East, we have many people working in the public sector, and I know that, in a Labour Budget, key workers would have been at the centre, along with a bold and ambitious plan to help our young people. As the Leader of the Opposition said, there are few silver linings today from a Government who have presided over the worst economic crisis of any major economy.

5.10 pm

Gareth Davies (Grantham and Stamford) (Con): What a pleasure it is to speak in this debate, at this point in the debate.

As outlined in many good speeches, we are in a precarious economic position. Our debt is high, our tax revenue is low, unemployment is up and growth is down. One of the most important things that we can do in this place is to debate our economic future, but let's face it: the vast majority of people we represent are not as concerned about the ping-pong of politics as they are about their real-life situation. People have lost their jobs, their livelihoods and their certainty—all from a virus that they could not have seen coming. We in this place cannot solve all our people's woes. Our economic recovery will not be driven from the Floor of the House of Commons; it will be driven from the factory floors of Grantham and the shop floors of Stamford. It will be driven by our workers and our small businesses, not by politicians. But we can provide stability and certainty through management of our public finances.

We have heard many times today that borrowing is at a record high and our interest rates are at a record low, but, as a principle, I am uncomfortable with anyone suggesting that we should have more debt just because it is cheap. That goes for individuals as much as it goes for Governments. I am deeply concerned about inflation as we start to release restrictions in our economy, and what that means for rates in the future.

In advance of today, I set out three things that I was hoping to see in the Budget. I asked for us to look at ways in which we could better mobilise private capital, I wanted us to focus on innovation and entrepreneurs, and I wanted to see that we would prioritise investment over general public spending. I am delighted that all three of those were in the Budget today. The national infrastructure bank will mobilise tens of billions of pounds of private capital to help to fuel energy and transportation infrastructure many decades from now. The announcement on tech visas was fantastic because that highlights the importance of bringing in the best and the brightest to help to bolster our digital transformation in sectors such as finance, farming, education and healthcare. The investments that we are making in skills will help firms such as Iconic Engineering Solutions in Grantham to find the technical jobs that

[Gareth Davies]

they so badly seek. They say that good crisis management is about being quick with the facts and slow with the blame. The fact is that this crisis will change the way we live, but let us not let it change the way we manage our public finances.

5.13 pm

Catherine West (Hornsey and Wood Green) (Lab) [V]: Before this Budget, the facts were there in black and white. Our economy was hit hardest because we had longer and stricter restrictions than other countries because the Government failed to get the coronavirus under control. In response, Members on both sides of the House were crying out for the Budget to put the economy on the road to recovery and right the wrongs of the insecurity of the past decade through bold investment in jobs. Instead, the Budget announcement—the 15th financial statement in just a year—just papers over the cracks of a failed economic approach.

There was no mention of schools or teachers, of cracking down on crime or of restoring our high streets. What we did have was the Chancellor freezing pay for key workers—our coronavirus heroes who have got us through this crisis. There was no mention of help for the care sector or for the carers who have given everything—100% of their work—to this crisis.

On household debt, the charity StepChange reported in September last year that 2.5 million people faced a financial crisis due to the impact of coronavirus. The Budget missed the opportunity to set that right and provide relief for those in our society who need it the most. Despite the clear dangers, the Chancellor's pledge to freeze the personal allowance will further compound the household debt crisis.

The Budget showed that the Government want to go back to the same insecure economy and unequal country that has been so cruelly exposed by the virus. We need a commitment from the Chancellor and the Government to do things differently and to deliver on the needs of all our constituents, not more years of strained finances and mounting debt. There was no real ambition on the question of international tax evasion and avoidance, which could bring in funds to tackle some of the problems that desperately need tackling, and to address our mounting debt problem.

On the climate, despite some progress, the Budget failed to deliver the ambition that we all want to see. That is why Labour has called for investment spending to be brought forward, to kickstart the green economic recovery, as many other countries are doing, including through the large stimulus we have seen across the Atlantic. We desperately need measures to help key industries, including aerospace, car manufacturing, steelmaking, shipping and agriculture, reduce their emissions. Where are the plans for that? Where is the investment in those key sectors to bring down our carbon footprint? And of course we need the Government to reverse the cancellation of the green homes grant, which was myopic to say the least.

We need the Chancellor to grasp the urgency of this crisis and deliver the change that is needed. Labour has a plan and a commitment to deliver. We are delivering on the green economy here in London, with the leadership of Sadiq Khan. Give us another chance to get that right.

5.16 pm

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): I very much welcome this Budget and I congratulate the Chancellor on producing it. It is a Budget for extraordinary times, and first and foremost it is a Budget for jobs.

The Chancellor has rightly made protecting the livelihoods of workers and families right across the United Kingdom his overriding priority throughout this covid crisis. That is what my constituents want and what they expect. They will welcome, as I do, the measures that the Chancellor has set out today—measures to protect existing jobs, such as the extension of the furlough scheme, which has given security and peace of mind to millions; the additional help for the self-employed, and the extension of the VAT cut.

Just as importantly, my constituents will welcome the innovative new policies to create the good new jobs of the future—the Help to Grow schemes, which will give our SMEs the tools they need to move up the league; support for new green jobs in Scotland, and the super deduction on capital investment. No country of our size has done more to help protect and grow jobs during and beyond this pandemic, and all parts of the United Kingdom stand to benefit.

This is truly a Budget for the whole of the UK, and it will be warmly welcomed in my constituency in the Scottish borders. For my constituents living in rural communities, the car is a lifeline, not a lifestyle choice, so they will welcome the eleventh freeze in fuel duty delivered by a Conservative Chancellor since 2010. Pay is lower on average in the rural communities I represent, so the extension of the universal credit uplift will make a real difference.

As well as the additional £1.2 billion in Barnett consequential for the Scottish Government as a result of today's announcements, I especially welcome the direct investments that the UK Government are making into Scotland through the levelling-up fund. My colleagues on my local council, Scottish Borders Council, will, I suspect, warmly welcome that fund, and I am sure that they are already preparing strong bids to be submitted. Scotland has two Governments. They both have a stake in its success, and Scotland is best served when they both play their full and active role.

Extraordinary times call for bold action. The Chancellor and this Government have provided that throughout this crisis and have done so again today. This is a Budget for jobs that will give security and hope to families across the United Kingdom. It deserves all our support.

2.19 pm

Chris Bryant (Rhondda) (Lab) [V]: This Chancellor has an extraordinary record: he has overseen the biggest decline in economic output of any major economy and the largest number of excess deaths in the world. Why has the UK done so appallingly? Well, for a start because the Tories starved the NHS for 10 full years. We have fewer than seven intensive therapy units per 100,000 head of population in this country. Germany has 30. Now, today, there is a hidden cut of £30 billion to the NHS budget. Our social care for the elderly is a disgrace after 10 years. The poor, the elderly and key public sector workers in the Rhondda have died in their scores, but the Chancellor has not said a word about the poverty that is at the heart of that.

This Chancellor has repeatedly made poor decisions. He excluded 3 million people from any support whatever over the last year, including tradespeople and people in the creative industries. His vanity project, eat out to help out, directly contributed to the second wave of deaths. He fought against a firebreak in the autumn, which led directly to a much worse wave of deaths in January this year. He constantly delayed decisions about extending furlough, which meant that people were laid off completely unnecessarily. His support for the aviation industry, which is vital in this area, has been non-existent. He has failed to understand that it is easy enough for a middle manager to self-isolate in a large house in suburbia, but if you are on a daily or an hourly wage with hungry children to feed, it is impossible. He opposed free school meals in holidays and now he is starving local council budgets, even though councils are doing all the work that we rely on. We even have a Prime Minister who thinks he is so hard up and so hard done by that he has to set up a charity with a single beneficiary—himself. But there is no pay rise today, is there, for the people we all applauded last year? What hypocrisy!

The Chancellor boasts about spending £407 billion. It is easy to spend taxpayers' money. Time and again, he has awarded massive contracts to people who have been recommended by Tory MPs and peers, and has now unlawfully refused to reveal those contracts. A few have massively and immorally enriched themselves on his watch.

I have one final complaint. In the old days, Chancellors used to resign honourably if any part of their Budget leaked before it was announced to Parliament. Purdah keeps Chancellors honest, because privileged access to information in the Budget has a value and a currency, especially in the markets. I know this Chancellor is very pleased with himself—he has done a video to tell us as much—but an empty pot makes a big noise and fills no bellies.

5.22 pm

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con): It is rare that one can single out a day when everything changes, but for Teesside this Budget day is such an occasion. The announcements that Teesport is to become a freeport, that Treasury North is bringing hundreds of senior decision-making jobs to Darlington, and that Middlesbrough is to receive £22 million from the towns fund are each fantastic. Taken together, they are historic. They will create jobs, prosperity and opportunity for talented young people and mark a reset moment for my local economy and society.

Enormous credit is due to our Mayor Ben Houchen, who has constantly raised ambition. He has done hugely impressive work to co-ordinate our area's bid and has been such a strong advocate for rejecting the idea that Teesside's best days are behind it, or that there should be limits to our ambition. This is mirrored in the fantastic work of my Tees Valley Conservative colleagues, who have made such a difference since their election in 2019. While Labour talks Teesside down, we are levelling Teesside up.

We should remember that nothing that has happened today was inevitable. In particular, a freeport offering serious tax and customs incentives for companies to bring new investment and jobs would have been impossible had Labour had their way and we had either not left the European Union or had stayed trapped in the customs

union. Nor did Labour deliver anything like this level of good news during their long years in power locally and nationally, despite Tony Blair, Peter Mandelson, Alan Milburn and others all representing Tees Valley constituencies.

This is where we come to the importance of leadership. This Budget comes from a northern Chancellor representing my neighbouring seat of Richmond and delivering in full for the Tees Valley. He has made an extraordinary contribution to our country over the last year and today he has made a contribution to the Tees Valley that will be felt for generations. More broadly, this is a really sensible Budget for the long-term health of our economy and public finances. The Chancellor is right to keep delivering strong support for our economy as we emerge from the pandemic. We went into this crisis together and we will come out of it together, but equally it is absolutely right to start doing the hard work now to restore order to our public finances. With debt at 100% of GDP, we need to take the tough, but responsible choices that will ensure our future is not mortgaged to chance. As things stand, even a 1% increase in the cost of Government borrowing would cost taxpayers an extra £25 billion a year by the end of this Parliament. Taking sensible steps now to bring the deficit down while still protecting the vulnerable shows that the Conservatives remain the party that people can trust to govern in the national interest.

I am delighted that the new super deduction has been introduced alongside the higher rate of corporation tax. Incentivising businesses to invest in new machinery will be a massive boost and help to put rocket boosters under what has been sluggish productivity growth for a long time. This is truly a Budget to build back better, and I commend it to the House.

5.25 pm

John Spellar (Warley) (Lab): Let us be fair, this Budget does try to tackle some of the gross injustices that have plunged many families and small businesses into dire financial straits, often because they do not fit some neat and tidy category, especially freelancers and the self-employed. What they most want to do is to get back to work, and that, frankly, is why I was not only disappointed, but surprised that the Chancellor did not put much more emphasis on the successful roll-out of the vaccine and the health effects and opportunities that opens up.

Fairly or unfairly, that does give the impression that the Chancellor has lost the battle inside Government with the statistical modellers. The Government are seeming to move ever further away from risk management and towards risk avoidance and a belief in blanket bans, rather than seeing how different parts of society can be opened earlier to get the economy moving and people back into gainful and, from the Chancellor's viewpoint, taxpaying employment.

Unfortunately, Whitehall now seems to be drifting back into its default setting of one-size-fits-all and the convoy having to move at the speed of the slowest ship. Either the Chancellor has lost the war for the Prime Minister's ear or, like many Ministers and civil servants now, he seems to be focused more on how he will come out of the public inquiry than managing risk effectively. Harold Macmillan once said that the British public expect their Chancellors to be bishops or bookies, and I fear today that the Chancellor has revealed his inner bishop.

[John Spellar]

The vaccine roll-out programme provides an effective model for governance, and the Government should learn from that. It shows that the Government, the public sector, academia and industry can really work together, making decisions in real time and rapidly rolling them out, and that can transform the country. It should therefore be a learning experience and seen as a template, not just treated as a necessary exception to an outdated anti-Government agenda that has dominated this Government for so long.

The final point I want to address is related to Brexit. Why, when we are out of the EU, are the Government, surprisingly, accepting that we are still bound by its procurement straitjacket—more so, indeed, than many continuing EU members? Frankly, I do not understand it. The Business Secretary is holding talks with Vauxhall, but the local police forces do not buy its cars. We give grants to bus companies to buy Chinese buses. The MOD is still sorting out the fleet solid support. The Chancellor should have made it clear to Departments, the civil service, local councils and all public bodies that they should buy British first, get money moving and get the British economy in all parts of our country back together.

5.28 pm

Sir David Evennett (Bexleyheath and Crayford) (Con) [V]: I welcome my right hon. Friend the Chancellor's Budget and the measured, sensible and constructive approach that he has taken. The extension of universal credit uplift; the extension of the furlough scheme to September with employees continuing to receive 80% of wages for hours not worked; businesses making small contributions as they reopen; continuing the extended support for the self-employed; and doubling the cash incentives to firms that take on an apprentice—all good news indeed. The Chancellor's financial assistance has certainly been a great help to businesses over the past year, and although so many challenges for businesses still remain, this is undoubtedly a Budget for business and getting the economy back on track.

Small and medium-sized enterprises are the backbone of our economy, providing jobs, paying taxes and being entrepreneurial. Coronavirus and the lockdown measures have hit them hard in my constituency and across the whole country. I particularly welcome the extension of the business rates holiday until June and the discounted business rates for the remainder of the next financial year, which will save businesses £6 billion. News of the business rates holiday will be most welcome across the country, as it is a sizeable operational expense for many business, and this measure will help to mitigate the impact of the coronavirus pandemic.

Regrettably, the hospitality sector was one of the first industries to close and will be one of the last to reopen. I have had many discussions with the Chancellor and local businesses from the sector. I know that they will be grateful for the support announced today, including the reduction of VAT rates for hospitality and tourism to 5% until September and 12.5% for the following six months, amounting to £5 billion of VAT cuts for businesses in hospitality and tourism. The £5 billion new restart grant scheme, on top of the £20 billion that the Government have already provided, will also help shut-down businesses

to reopen after the lockdown. This will be a great help as we begin to recover from the pandemic, as will the new recovery loans.

The Budget provides us all with hope for the future and allows us to begin to get the economy moving again. Hopefully, this will mean that we can enjoy hospitality, tourism and social opportunities, of which there are so many across my borough of Bexley. There are many places to visit, including sport and leisure facilities; our excellent parks—Hall Place being a particular favourite of mine; a wide variety of restaurants, such as Assos in Crayford and Stuzzichini in Bexleyheath; pubs, including micropub the Penny Farthing in Crayford; entertainment venues; and historic sites. We need people to be able to get back to normality and socialise safely, to visit places and shops, and to spend money to get our local economy in Bexley borough thriving again, as well as the rest of the economy across our whole nation.

I strongly believe that my right hon. Friend the Chancellor and his team have struck the right balance, and I congratulate them on this excellent Budget. I am very pleased to be able to support him in the excellent work that he is doing.

5.31 pm

Rachael Maskell (York Central) (Lab/Co-op) [V]: It was critical that today's Budget plugged the gaps in support, built a financial bridge to see us through this next phase, stabilised the economy, and invested in rebuilding a resilient economy for all. It should have moved us from short-term help to secure, long-term foundations, and pivoted from an economy driven by deep levels of inequality to one that values every worker, every business and every community.

Now confirmed by the Office for Budget Responsibility, the economic failure outlined today goes to the heart of how this Government have mismanaged the pandemic, leaving the worst health and economic legacy of any developed country. They have failed to plug the gaps in support. Businesses, charities and people will struggle, with greater turbulence, pain and austerity to come—not the stability and investment that Labour would have instilled. It is the same old Tory recourse to bear down on the most in need, regurgitated through their broken ideology, plunging us into another decade of austerity with no lessons learned. The lifeline that many were hoping for was never thrown.

Take charities, for example, which are over £10 billion in debt. The Prime Minister promised in this House last November:

“We will be doing much more over the winter to support the voluntary sector”—[*Official Report*, 2 November 2020; Vol. 683, c. 41.]

Those were words of hope—and yet, winter is over, the Budget done and barely the crumbs thrown. Starving charities will choke off the social recovery we long to see. The Government's Victorian belief about charity fails to make the connection that charities today are the engine rooms of social transformation and building community resilience. Having closed their shops and stopped their fundraising, the Chancellor is now denying them their future.

Let me turn to my constituency. York is one of the worst-hit economies in the country. In my Budget submission, I set out three pillars for investment to rebuild York's economic foundations. First, BioYorkshire

would have put York at the heart of the global bioscience economy through significantly cutting emissions and reducing waste, while creating 4,000 green collar jobs and upskilling 25,000 people. Just £12 billion for a green investment bank in the year of COP26 shows no commitment to mitigating the climate crisis.

Secondly, I called for a high street recovery fund for York—the eighth worst-hit high street—and not a Tory towns fund that will benefit three Labour-held constituencies out of 40 areas. This is Tory self-interest put ahead of public need.

Finally, I called for a community business hub to harness innovation, talent and skills by supporting the growth of new businesses, including social businesses, to generate not only a secure foundation for future jobs, but greater community wealth. The Chancellor failed to respond to the needs of our communities. Today's Budget should have been about support, stabilisation and long-term security to transform our economy and protect our communities. But, of course, those are Labour values.

5.34 pm

Kevin Hollinrake (Thirsk and Malton) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests.

As a northern businessperson, I was very pleased with the Budget statement—it was pro-business and pro-north. It was also an honest assessment of where we are today. I was quite astounded—perhaps I should not have been—by the response from the Leader of the Opposition, which reminded me of what Churchill said:

“Some see private enterprise as a predatory target to be shot, others as a cow to be milked, but few are those who see it as a sturdy horse pulling the wagon.”

That is what private enterprise is, yet all the Leader of the Opposition talked about was public services. Important though they are, this Budget was about the recovery from covid, which is critical. We cannot have the public services without the generation of wealth, jobs and taxes. That is how we pay for public services, so it was absolutely right that that was the focus of the Budget.

I am pleased with many of the things in the Budget for the north, including freeports in Teesside, Treasury North in Darlington and the UK investment bank in Leeds, for which my hon. Friend the Member for Grantham and Stamford (Gareth Davies) campaigned for heavily. Also, the ongoing business support is very important to the hospitality businesses of Thirsk and Malton.

We need to be honest, and I know the Chancellor will be when we have got over the covid crisis, about our future spending challenges. Because of this country's demographics—we have an ageing population and a reducing fertility rate—we are going to see more and more pressure on fewer and fewer taxpayers, particularly to sustain pensions, healthcare and social care. That is true to such an extent that according to the Office for Budget Responsibility our debt to GDP ratio, which is currently 100%, will be 314% by 2060 if we do not do anything about our tax system. In many ways, the Budget was a short-term approach to recovery, which is absolutely the right approach, but we need to think differently about the solutions going forward.

I do not want to see a bigger state or higher taxation, so it is a difficult conundrum. One solution that I would like to see is an adult social care premium, which would

tackle one of those cost pressures. It is not a tax any more than motor insurance is a tax; it is a small amount of money that people put aside for a rainy day. It is done on a mandatory basis and will solve one of the key problems.

As my right hon. Friend the Member for Gainsborough (Sir Edward Leigh) said, we need to make sure that we set a fair and level playing field and stable framework for businesses. Because of the threats from Amazon and the like, one way we can do that is to scrap business rates altogether and replace them with a small increase in VAT. That would be a simple solution to the problem and set that fair and level playing field for many SMEs in this country.

5.37 pm

Rushanara Ali (Bethnal Green and Bow) (Lab) [V]: This Budget completely fails to address the scale of the economic challenges facing our country in the light of the global pandemic, which is still affecting people throughout our country; in the light of the years of uncertainty caused by Brexit which, even with the Government's limited trade agreement, will hit economic output by 4%; and in the light of a decade of Conservative economic policy and austerity, which has weakened the foundations of our economy and society.

UK GDP fell by nearly 10% in 2020, with the deepest recession in any major economy. We have seen a high level of unemployment, with 1.74 million unemployed, and young people are facing the highest level of unemployment in a long time, with nearly 1 million set to be unemployed. Of course, we have seen the huge loss of lives in our communities, with more than 123,000 people having died—the highest death toll in Europe. We have seen the inequalities that exist in our country play out by hitting some of the most disadvantaged in our communities the hardest. Economically, women, young people, those from black and minority ethnic communities and those from the poorest communities have been hit hard.

Yet the Government's response does little to shore up our public services and our national health service, which have been at the forefront of protecting us; little to provide support to local government; and little to tackle youth unemployment. The kickstart programme has got only 2,000 people into employment, yet hundreds of thousands of young people have been made unemployed. That is why I am calling on the Government to do more to help our young people. This Budget does not do enough at all.

On public services, we desperately need the Government to provide support to our schools, which have suffered deeply in this crisis. As for the tax rises, the Government have already shown their true colours by increasing taxes, such as council tax, on families who have been affected deeply by this crisis. The universal credit uplift is welcome, but it is only for six months, and in constituencies such as mine, with high child poverty, we need that to be a longer-term response.

If the Chancellor needed inspiration, he should have looked at what the Americans are doing—what the Biden Administration are doing—in investing nearly \$2 trillion in a rescue plan to generate economic growth, providing much more direct support to small businesses and ensuring that families who desperately need support get much more help. That is the scale of ambition that

[*Rushanara Ali*]

we need in our country if we are to promote growth to pay the debt that we needed in order to deal with this crisis.

5.40 pm

Nicola Richards (West Bromwich East) (Con): I congratulate the Chancellor on setting out such an optimistic Budget. There is not enough time to cover it in its entirety, so I would like to focus on just one part.

I am absolutely delighted with the announcement that West Bromwich will receive the full £25 million under the towns fund. I thank the Chancellor, his team and the Secretary of State for Housing, Communities and Local Government for all the work that they have done. I notice that the right hon. Member for Warley (John Spellar) neglected to thank the Government for the money that we will also be getting for Smethwick, so I thank them very much on behalf of the community in Sandwell.

This kind of investment is so important for us. It is recognition that areas such as West Bromwich are simply not used to receiving because we have not had that many people fighting our corner. I have been a member of Sandwell towns fund superboard, so I refer Members to my entry in the Register of Members' Financial Interests, and I know that everyone will be delighted with this news. I pay tribute to all those who have spent so much time preparing the successful bid.

There has, sadly, been a period of neglect, but we are putting that right and we are starting with the accelerated funding programme for phase 1 of our plan to completely refurbish the outdoor market, a vital hub of commerce. In fact, work has already begun on the project. We cannot underestimate the benefits that this will bring. Although it is still busy, the old outdoor market in its current form has encouraged antisocial behaviour, as the stalls acted as a shelter from CCTV. Putting this right will start us on the right journey to attract all those former shoppers back to the town.

We are so lucky to have Dartmouth Park and Sandwell valley, in particular, on our doorsteps. It is a great place, among a busy and industrial part of the Black Country. Creating a better green corridor and walking link to these sites from the town will be great. Our plan also involves carrying out repairs and upgrades to both West Bromwich town hall and the library, restoring them to their former glory. This will create 1,000 seats in the town hall's theatre.

We are also going to refurbish the indoor market. I am excited about quite a lot of these plans, but for me, this marks a firm step forward. Our indoor market has been the same since the '70s. Locals will recall that it was the only place that people could get a West Bromwich Albion kit from at one point. Sadly, the market is so old and run down that this has serious consequences for trade. I often catch up with Dave from the pet stall, who explains this well. At a time when only essential stalls could open due to covid, he was not able to. Because the stalls are so old, there was nowhere to secure the stock of the non-essential market stalls. It meant that he could not open at first. For me, it was a sign of decades of missed opportunities, but we are putting that right and I am looking forward to meeting the indoor market holders to find out what they want from this deal.

Our towns fund investment plan in Sandwell goes far beyond physical infrastructure. The Sandwell civil and mechanical engineering centre is another part of this great plan. From conversations with Sandwell College and others, it is clear that we need to make more training opportunities available in engineering. We are also looking to help to tackle digital exclusion. Our bid to create a "free at the point of access" community digital den in Greets Green and Wood Lane community centre will enable digitally excluded residents to get online and fully engage with digital services.

5.44 pm

Matt Western (Warwick and Leamington) (Lab) [V]: It is a year ago that we sat in a packed Chamber to hear the Chancellor claim that he was

"releasing the counter-cyclical buffer".—[*Official Report*, 11 March 2020; Vol. 673, c. 279.]

I have to say that at the time, I thought it was something to do with letting his neighbour out of his fridge, but in fact, none of us is still any the wiser. More seriously, by that day the Prime Minister had already chosen to miss the first five Cobra briefings on the epidemic. He had indeed gone AWOL. That was a time when we should have been hearing the drumbeat of a Government prepared to face the threat. Instead, we heard:

"We will protect our country and our people."—[*Official Report*, 11 March 2020; Vol. 673, c. 278.]

Except they did not: 123,000 deaths and counting, an economy that has crashed, falling 10% last year, and the Government presiding over the worst death rate of all the major nations. They got it wrong. Now we face the worst economic damage of all large economies, the consequences of which will be suffered for decades to come. They got it wrong.

Having sat and listened to the Chancellor's speech, I find it extraordinary that he did not once mention the need for greater investment in our health service. Nor did he choose to acknowledge the work of all those on the frontline, including social care workers, and repay them for their courage and professionalism. Sadly, he has chosen not to respect their efforts. One thing we have learned from the past year is that the Government do well to listen to the Opposition—for example, the suggestion to introduce a furlough scheme. I welcome the Government's announcement that they will be extending that scheme for a further six months, but they should have done this from day one, as happened in Germany, where the scheme will run until early 2022.

The truth is that the Chancellor's announcements today do little to address the foundations of our economy. Those foundations have been undermined by the austerity of the past 10 years, but this relates not only to our economy but to our social fabric and the increasing inequality laid bare by the pandemic. But not once did the Chancellor mention inequality. We can measure a Government by their priorities. The Chancellor talked up his freeports, but it all sounded a bit emperor's new clothes. This is a Government who are continuing with HS2 despite the fundamental restructuring of our economy that is going on, yet they are unable to recognise that a council house building programme is desperately needed. When it comes to our businesses, all that their leaders wanted to hear was some certainty for a country that has

been bedevilled by the policies of successive Conservative Governments resulting in a steep decline in business investment. The Chancellor has got it wrong.

Where is the vision and delivery of public-private investment? Where are the plans for the network of electric vehicle charging points and hydrogen infrastructure that we need if we are to deliver net zero? It is not enough to leave it to those in the private sector, as they themselves state. Finally, it is not enough to continue with the business rates holiday. The Chancellor failed to do the right thing and undertake the wholesale revision needed to address the massive distortion in our economic landscape. The evidence is damning. The OBR has underlined the fact that we have sustained the worst economic damage of any G7 country, and it will be the public who pay for the Chancellor's mistakes. A word of advice, then, for the Chancellor: he needs to start acting in the national interest and not in his own self-interest, or the public will never forgive him. Once again, he has got it wrong.

5.47 pm

Saqib Bhatti (Meriden) (Con) [V]: I refer Members to my entry in the Register of Members' Financial Interests. If there is one thing I have learned for sure in my short time in Parliament, it is that there is no such thing as an easy Budget. I commend the Chancellor for the balancing act he has had to do today to protect jobs and livelihoods while also being fiscally prudent and responsible and looking towards the inevitable recovery. I say "inevitable", but it is only so because of the measures that my right hon. Friend has taken over the last 12 months. I commend him for his Budget and his characteristically honest approach with the British people.

As the acting chair of the all-party parliamentary group for small and micro business, I want to focus on some of the measures for small businesses, but before I do so, I want to thank the Chancellor for the £50 million allocated to develop transport improvements around the HS2 Birmingham interchange station in my constituency. These moneys are going to support economic generation and development around Arden Cross, which will be one of the key economic zones in the country. Crucially, by making land use more efficient, it will protect hectares of green belt, which is already under too much pressure in my constituency. I also thank the Chancellor for the renewal of the airports and ground operations scheme for a further six months. With Birmingham airport in my constituency, any and all support is welcome to protect jobs and protect this key economic asset, which contributes billions to the local and national economy.

I turn now to small businesses. I will be looking for further detail on what has been announced today, but I thank my right hon. Friend for recognising the importance of our small businesses. I know that much will be said in the weeks and months to come about the impact of the corporation tax rises. Like me, he is a low-tax Conservative, and I know that he will not have taken this decision lightly, but I thank him for limiting the impact of corporation tax on small businesses. There will be many up and down the country that will be struggling for the foreseeable future, and having one of the lowest small profits rates in the world is welcome. We must shore up our public finances, but we must also recognise the hard-working people across Britain who need our support.

I also welcome the Help to Grow scheme. It is no secret that the mortality of start-ups is exceptionally high in their early years, and I welcome the idea that we can help businesses to become more productive, more efficient and more profitable. Help to Grow really does summarise the Chancellor's intentions and ambitions. I welcome the extension of rates relief. As I have said in this House before, I look forward to hearing further from the Treasury about reforming business rates, following the Treasury consultation that took place last year, because we can afford to be ambitious and we absolutely should be.

Today's Budget will be pivotal. It recognises the pain that so many people have experienced over the last 12 months; it provides certainty for the anxieties of the British people and British businesses across the United Kingdom; and it looks to the future so that the British people have the tools at their disposal to be ambitious, to be optimistic and to show the world that, while covid-19 tried its best to bring us to our knees, we the people of Britain refuse to be beaten.

5.50 pm

Kim Johnson (Liverpool, Riverside) (Lab) [V]: Today, we needed to see a Budget fit for the crises we are facing, one which fundamentally reshapes the foundations of our economy and delivers an ambitious programme to provide better living standards, protect jobs and livelihoods, and deliver strong public services, but it falls short of a long-term recovery plan and investment in our public services, including the NHS, schools and particularly local councils.

The Chancellor's speech today included a lot of cheap headlines and stolen rhetoric, but no substance. Still deep in the throes of a public health emergency and staring down the barrel of a recession and an unemployment crisis on the scale of the great depression, tinkering at the edges just will not do. The gloss and spin do nothing to hide the fact that this Budget has done little to address the vital issues of deepening poverty, inequality and insecurity at work. Instead, it does the bare minimum to prop up the current system and kick the can down the road on the jobs and debt crisis.

It is indefensible that the Chancellor has only extended universal credit by six months. A lifeline for millions of the most vulnerable will be wiped out at the same time as furlough ends, and this will push hundreds of thousands of people deeper into poverty, including the 14,000 people on universal credit in Liverpool, Riverside. With 4.2 million children living in poverty in the UK today—many of them in my own constituency, which has a high of 30.4% compared with a national average of 18.4%—this Budget should have taken steps to tackle the child poverty crisis by making the universal credit uplift permanent, extending it to apply to legacy benefits, abolishing the cruel benefits cap and ending the two-child limit.

While the extra measures that have been announced to support people and retain jobs during the pandemic are of course welcome, including the extension to furlough, we need to see steps taken in relation to the existing gaps, including support for the 3 million excluded, who have been systematically abandoned by this Government and left to survive the crisis without support. We know that the inability to self-isolate for many workers has been a key driver of covid, due to the low rates of

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statutory sick pay, precarious contracts that prevent workers taking time off and the no recourse to public funds policy that prevents most migrants from accessing state support. Instead of raising SSP, the Chancellor has chosen to cut it in real terms at the height of a pandemic by raising it by just 50p. Let us call it what it is: an utter failure of public policy and leadership.

I am a very proud Scouser, and I am privileged to represent such a resilient city, which always fights back to protect its people, but let us have a fair fight. Give us the money we need to protect jobs and livelihoods and keep our economy growing, and we will respond by supporting our businesses and our workforces to come back much stronger.

5.53 pm

Laura Farris (Newbury) (Con) [V]: There is nothing inevitable about high unemployment. Even when the storm has raged as violently as it has in the last 12 months, we have seen what the Government can achieve. Twelve months ago, the term “furlough” was completely unknown to us. Today, more than 30 million people have had most of their wages paid by the Government for most of the year.

To me, the most moving part of the Chancellor’s statement earlier was from the OBR—that it had revised its forecast that unemployment would peak at 11.9% and estimated that Government action had saved 1.8 million jobs in this country. That matters to me personally because, when I made my maiden speech on 24 February last year, I closed by saying that the jobs and livelihoods of my constituents would

“guide my work in this House.”—[*Official Report*, 24 February 2020; Vol. 672, c. 88.]

That has not changed.

There are three issues I want to touch on this evening. First, I want to talk about what this Budget means for female employment, which I have looked at carefully in my role as co-chair of the all-party parliamentary group on women and work. There are different reasons why women’s employment has been particularly affected by the crisis, but some of it is sectoral. Hospitality, retail, leisure and the beauty industry employ disproportionate numbers of women and have been particularly hard hit. In this Budget, every business in those sectors can claim a restart grant of some kind, whether it is £6,000 or up to £18,000. Taken together with the continuation of the furlough, that will be a huge factor in sustaining and rebuilding opportunities for women in the labour market.

The second point I want to raise is linked to training and apprenticeships. The kickstart scheme, which we heard about last year, was directly focused on young people and their opportunities, but today’s announcement went wider. It links apprenticeships to the lifetime skills guarantee and incentivises businesses to offer apprenticeships irrespective of age. That is hugely significant. It is fair to say that, whenever long-term structural unemployment has taken root in any period since the second world war, Governments of whatever party have tried and failed to tackle it. The reason for that has always been the long-term attrition of workers’ skills. This is the first time, to my knowledge, that any Government have put training and skills at the front and centre of the recovery package, and I welcome that.

The jobs that exist in 10 years’ time will depend on our choices today, their impact on the labour market and our readiness to react to changing circumstances. The super deduction, the offering to innovators through R&D tax credits, the visa reforms for highly-skilled workers and the work on productivity through the Help to Grow scheme are all welcome. I represent a part of the world that sits at the heart of the—

Mr Deputy Speaker (Mr Nigel Evans): Order. I am sorry Laura, but we have to leave it there.

5.56 pm

Munira Wilson (Twickenham) (LD) [V]: Today’s Budget statement represents a massive missed opportunity. There were a number of measures to be welcomed, but the silence in so many areas was utterly deafening. There was absolutely nothing on social care, despite grand promises from the Prime Minister on the steps of Downing Street and the Health Secretary promising proposals this year. There was nothing on further support for the NHS. With the backlog of non-covid care stacking up, lives are at risk, and our heroic NHS staff are on their knees. There was nothing on boosting mental health and wellbeing support for our children and young people, who have been hit so badly by this pandemic. Investing in our future means investing in our youth, not just in bricks and mortar.

There was nothing to help those exporters hit by Brexit red tape. Just last week, a chocolate maker in my constituency told me that he has been unable to export a single bar of chocolate to the EU since 1 January. He normally exports a quarter of a million pounds-worth per year. There was nothing on building more affordable and social homes—just measures to make homes yet more unaffordable. There was precious little on the environment and building a green economic recovery, and there was close to nothing for the 3 million hard-working entrepreneurs and small business owners excluded from Government support, on whose backs our economic recovery will be built.

I briefly want to focus on that last point: the small business owners who continue to be ignored by Government, despite having paid their taxes and often being so central to our local economies and our communities. With a year having elapsed since the emergency economic measures were introduced by the Chancellor, it is unforgivable that the vast majority of the 3 million excluded remain overlooked—in particular, directors of limited companies. These are not wealthy tax dodgers, as the Chancellor likes to make out. These are ordinary, hard-working folk at the heart of our high streets, including hairdressers and others—often women—who have built flexible, home-based businesses to fit around caring responsibilities.

My constituent Claire Leroux built her travel business from scratch as a single mum, eventually employing five people, with a turnover of £350,000. She has had to make her staff redundant, and her business hangs in the balance as she lives off her savings. Hairdressers, such as Elements in Teddington High Street, are struggling for survival. Owners are let down by the lack of personal financial support as directors and no VAT relief from the Chancellor for personal care businesses, as there has been for hospitality. The Treasury has had a compelling, workable proposal for a directors income support scheme put to it by experts, yet still nothing was offered today.

I say to the Chancellor, it is not too late to help the 3 million excluded and put forward a revenue support scheme to support small businesses.

5.59 pm

David Linden (Glasgow East) (SNP): The Scottish National party has spent months calling for the Chancellor to make permanent the £20 uplift in universal credit and indeed extend it to claimants on legacy benefits. By announcing a six-month extension while ignoring those on legacy benefits the Chancellor is essentially just kicking the can down the road, and we all know that that is only to get the Conservatives through the May local and national elections. Let us be clear: the Chancellor is proposing to swipe away the £20 uplift just when the furlough scheme will end, when unemployment will peak and energy levels will start to go up again. For those who most need the safety net of social security, this Budget will see them teetering on the brink of an autumn knife-edge.

Removing the uplift in the autumn will cut over £1,000 a year from household budgets, and this announcement will not protect those who need our help the most. That is why the Trussell Trust has said that today's Budget

"fails to give families on the lowest incomes the ongoing protection they need. The six-month extension to the UC uplift only delays the hardship people will face in the year ahead."

The Women's Budget Group says:

"Extension to the #UCUplift is welcome but it confirms what we all know. UC is not enough to live on. We need a #SocialSecurity system that is a true safety net and reflects the needs of those who rely on it."

Meanwhile, the Joseph Rowntree Foundation has said:

"It is also totally indefensible that people who are sick, disabled or carers claiming legacy benefits continue to be excluded from this vital support."

The Poverty Alliance echoes this call, stating:

"The decision should not have been between 'hardship now or hardship later'. It should have been a simple decision to say 'hardship never' and to make the increase permanent."

Out of work support will be at its lowest ever level since 1990 when universal credit is cut in six months' time. The universal credit uplift should have been seen not as an emergency measure in response to the pandemic, but as a reversal of the long-standing cuts that bring it back in line with its original intended value. In essence, the uplift reverses cuts to universal credit over the past eight years and brings it back in line with rises in the cost of living. Indeed, if the uplift is removed, 2021 and 2022 universal credit rates will be 11.5% less in real terms than in 2013.

A thread of inequality runs through this Budget like a stick of Blackpool rock. There are 4.2 million children living in poverty across the UK, and hundreds of thousands of people rely on food banks and struggle to pay essential bills. The Chancellor's Budget falls short on every measure to protect household budgets and family incomes, but once again we see the tale of two Governments: the Tories look to cut welfare support, while the SNP Government invest in game-changing policies such as the Scottish child payment and receive praise for their budget from anti-poverty campaigners.

It is clear that Scotland faces a choice of two futures: the long-term damage of Brexit and Tory austerity cuts at Westminster, or the opportunity to protect our place in Europe and build a strong, fair and green recovery as

an independent country. With two votes for the SNP in May, we can put Scotland's future in Scotland's hands, not Boris Johnson's.

6.2 pm

Ben Bradley (Mansfield) (Con) [V]: With just a few minutes to speak in today's debate I cannot discuss all the excellent news, but would like to thank the Chancellor and everyone involved in putting these packages together. There is much to be thankful for, particularly for businesses and employees looking to get back into work to reinvigorate their businesses in the months ahead as restrictions are lifted. The extension of the VAT cut for some the hardest-hit businesses will be welcomed by many local business owners in my constituency, as will the extension of eligibility for the self-employed scheme in particular. The vast majority of people want to get on the housing ladder, and if they can do so they will warmly welcome the 5% deposit scheme, which will help a huge number of people fulfil that lifelong dream of owning their own home. All of that is very welcome.

In the short time available I want to focus on Mansfield and our local good news, which is twofold. First, a huge thank you to everyone involved in putting together plans and the bid for the towns fund. The £12.3 million announced today is brilliant news. We will have a long-awaited replacement for the old Meden sports centre with a new community health and leisure hub that can help to reduce our health inequalities and deliver better services. That will be a services hub in our town centre, bringing together council, health and employment support services under one roof. It will draw the huge footfall that those services attract to our town centre instead of the existing out-of-town buildings and mean a change in the use of town-centre properties. That will be vital for the future of our high street, with the footfall supporting retail and other businesses.

There will be a business hub in Mansfield Woodhouse and a hub for new technology development and skills at West Notts college. That means tangible change, growth and improvement for our community, the like of which we have not seen for a very long time. It is very welcome.

I thank the Chancellor for choosing the east midlands as home to one of the new freeports. That is important and will be welcomed across the whole region. The impact of the jobs and growth that can come from the site, in conjunction with plans for a development corporation, the boost to green energy and businesses, and the potential for new infrastructure in that part of the world just a few miles down the M1, will be vital for the recovery across the east midlands. Combined with our new approach to skills, adult learning and retraining, which was announced in the FE White Paper, it will help many of my constituents to get into work or back into work and to rebuild their lives after covid.

The Budget will have a genuine, tangible impact on people in Mansfield over the coming years as the new investment turns into physical changes and improvements. It is positive that the economy is predicted to recover faster than was first thought and to hear that interventions in the past 12 months have saved 1.8 million jobs. That is massive, not just for our economy, but for 1.8 million individuals and their families. With our road map in place to lift restrictions in the coming months, the new announcements to support businesses and incomes as

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we reopen the economy, and the continued success and investment in our vaccine roll-out, we have many reasons for optimism.

6.6 pm

Bim Afolami (Hitchin and Harpenden) (Con): In the short time available, I want to talk about two words: “debt” and “productivity”. The Chancellor has shown in many different ways with this Budget his command of the fiscal landscape, particularly his awareness of the importance of a sensible fiscal strategy over the medium to long term. He has also shown his clear understanding that we depend on the kindness of strangers as a Government and as a country because we depend on low interest rates to sell our debt in the markets. On some level, that is boring, but it is important because the House and the country need to be fully aware of the fact that we are in a highly unusual time for the bond markets.

It is incredibly cheap at the moment to borrow money. There is no doubt about that. Indeed, I have heard many Opposition Members say that we should just borrow money ad infinitum because it is so cheap, but the problem is that it will not be cheap forever. The Chancellor is rightly thinking of the long-term fiscal sustainability of this country. His awareness of that and of the need to ensure that debt is falling as a percentage of GDP by the end of the Parliament is very important. Bearing in mind that the Budget is very generous in many ways, and many Conservative Members have explained how, the Chancellor also has that fiscal framework in mind.

My second point is about productivity. In December 1962, a bit before my time, Harold Macmillan wrote a memo to his Cabinet—it is in Lord Hennessy’s “Winds of Change”, which I urge all Members to read—about one of the major problems of the country’s economy, which he said was the need to enhance our productivity. It is a long-running problem, but the Chancellor is thinking about it in the long term.

One particular measure has not been talked about enough but it is significant: the help to grow scheme for small and medium-sized managers—indeed like my wife, who runs a successful family business. Hundreds of thousands, if not millions of people up and down the country are doing a fantastic job, but could benefit from extra help and support with management training, digital skills training and discounted digital software to help close the gap with higher performing bigger businesses. The Government and the Chancellor are backing our small businesses. That will improve our productivity because small businesses are the heart of our economy. For those reasons, and many thousands of others, I welcome the Budget.

6.9 pm

Tim Farron (Westmorland and Lonsdale) (LD): Probably the most disappointing thing about this Budget is that, at a time when cancer specialists estimate that 100,000 people are in a backlog waiting for treatment, and when Cancer Research UK estimates 35,000 additional deaths as a result of cancer through this covid crisis, it contains not a single additional penny for cancer, and indeed not a single mention of the word “cancer”. The reality is

that we need to invest heavily if we are going to catch up with cancer and save lives that will otherwise be needlessly lost. The Government could have, and should have, as we asked them to do, invested in new radiotherapy equipment right across the country, including satellite centres in the likes of Westmorland General Hospital in Kendal in my constituency, and in new staffing and in networking, to make sure that we tackle the forgotten C through this crisis.

Another disappointment is the fact that although there is much-trumpeted help for some of the people who have been excluded from support, once we see the detail of the Chancellor’s announcement, we realise that it amounts to about 5% of those people. Those people will still have to sit on the crippling debt that they have been living with over the past 12 months, so we call upon the Chancellor to backdate his support to those people he is now going to intervene to help.

There is nothing there for the freelancers, directors of small limited companies, taxi drivers, hairdressers, personal trainers and the like, who, as my hon. Friend the Member for Twickenham (Munira Wilson) said, will be the entrepreneurial backbone of any kind of economic recovery as we move out of the pandemic, yet the Government continue, almost gratuitously, to forget those people and leave them in penury.

Representing a constituency that is so dependent on the outdoors and what it does for our economy, and indeed for our mental health, I am appalled that the Government have failed to follow the lead of Northern Ireland and Scotland and provide any support whatsoever for our outdoor education sector, despite the fact that the Prime Minister promised me last week that he would do so. We see outdoor education as an industry, with 15,000 employees, but 6,000 have already lost their jobs. Why can we not reopen safely so that young people can have residentials? If outdoor education centres cannot reopen, why is there not a financial package to help them, as they are vital to our future?

The VAT cut is welcome, but it does not extend to alcohol, and therefore it is a crippling blow to wet-led pubs across the Lake district, the Yorkshire dales and elsewhere. If we care about our local pubs, we need to support them, not advantage huge multinational supermarkets over the local hosteleries that are at the centre of our communities. Finally, why did the Chancellor insult our country’s unpaid carers by giving them a rise of only 35p a week, when they deserve £20 more at least?

6.12 pm

Miriam Cates (Penistone and Stocksbridge) (Con): There can have been few more difficult times in living memory to deliver a Budget, so I want to commend and thank my right hon. Friend the Chancellor for his steadfast commitment to serving the British people through such challenging economic circumstances. This pandemic has not finished with us yet, so I welcome the additional support measures announced today, giving hope to many people in my constituency and security to businesses that are still struggling to hold on. The fiscal support provided by this Government is greater than that of almost any other country in the world, and it has disproportionately benefited those on the lowest incomes. That is the kind of one-nation Conservative Government that so many people voted for back in 2019.

I also welcome the Chancellor's courage in facing up to the fact that we must have a plan for returning our finances to a sustainable footing, to maintain confidence in the UK economy, and to take responsibility for our future, rather than burying our heads in the sand. The modest rise in corporation tax for the largest businesses is a fair way to increase revenues. It is a tax on profits, after all, so those businesses that have been unable to make a profit will not pay. While many companies have had a very tough year, others have seen their takings soar as a result of the pandemic, and it is right that some of those profits should be returned to the taxpayer.

This Budget offers security and responsibility, but it also offers opportunity. I welcome the exciting proposals laid out by my right hon. Friend to set the UK economy on the path to becoming the best place in the world for innovative, high-growth and green investment. However, the proceeds of this growth must be shared evenly across the country, so I was delighted by today's announcement of £24 million for our Stocksbridge town deal. For decades, towns such as Stocksbridge have been left behind, and previous Governments have failed to solve the problem of how to return opportunity, pride and aspiration to the communities whose sweat and toil have built the prosperity of our great nation.

The launch of the towns fund, back in 2019, in many ways marked the birth of the movement we call levelling up, and the Government have reaffirmed their commitment to that movement today. The £24 million will see improvements to our high street, local transport links revolutionised, a post-16 hub and new jobs and opportunities created for the whole community. The towns fund offers the targeted investment that Stocksbridge so desperately needs, upskilling our workforce, providing conditions for growth and reviving our local economy. There are difficult times ahead, but here we have a plan that offers security, responsibility and opportunity.

On behalf of the people of Penistone and Stocksbridge, I welcome this Budget statement.

6.15 pm

Jim Shannon (Strangford) (DUP): I, too, do not envy the Chancellor. How do we get the balance right of supporting the business sector and supporting the vulnerable while ensuring that we do not add further to the deficit? I believe he has delivered a Budget that is suitable for these times and the special circumstances of coronavirus. It is not easy to do that, but he has tried hard.

My little grandson, Max, and my granddaughter, Freya, who were born during the pandemic as lockdown babies, will most likely be paying off this debt through their taxes for their entire adult lives. What a burden on our children and grandchildren, yet the Chancellor has addressed some of the tax issues to deliver some of the moneys that will be needed to pay back the debt and take the burden off our grandchildren.

The Chancellor also referred to the kickstart programme, which I support. I wish we had it in Northern Ireland. For whatever reasons, Ministers in Northern Ireland have not delivered it, and I have been in contact with the Department to find out why.

I am also pleased to see the extension of furlough, and I believe extending it to September is correct. My concern is that the devolved nations are coming out of lockdown at different times, and therefore there should perhaps be a wee bit of flexibility.

I also welcome that there is no increase in fuel duty. Coming from the rural constituency of Strangford, and knowing my constituents' need to be able to travel, I think that is a good news story, too. There are many other stories to which I could refer, such as the VAT reduction and the rates relief. This is a pro-business Budget, and they are all positive measures.

I congratulate the Government on how they have delivered the response to coronavirus, but we need further work on health. Those with cancer, motor neurone disease, organ failure and many others are in need of palliative care, and the Marie Curie campaign has highlighted that over 82,000 people in Northern Ireland have been bereaved during the covid-19 pandemic, and the number requiring palliative care has doubled over the past 10 years. The need for investment in palliative care must feature in any plan and Budget, and I gently suggest that, although the money for covid-related issues is absolutely right and appropriate, there is also a need for investment in cancer research and palliative care. I would like to see that feature more prominently in the Budget, and I gently and constructively ask that it be taken on board.

I also highlight the financial backing for cancer research and what can be achieved through the superior expertise of British science working alongside international colleagues to produce results. We have seen what is possible through single-minded focus and hand-in-hand support on covid-19.

As with any Budget, there is much to be welcomed and much to be desired. We need to balance the books as best we can in this world, which is so out of kilter. I look forward to the Government offering greater support to those who need it most at this time.

6.18 pm

Anthony Mangnall (Totnes) (Con): It is always a pleasure to follow my friend, the hon. Member for Strangford (Jim Shannon), who spoke such sense. I can only hope that others who sit on the Opposition Benches will follow his lead.

Of course I welcome this Budget, and I welcome the way in which the Treasury has engaged with businesses and with Members on both sides of the House to hear what needs to be done at a time of great national need. The Chancellor, as other Members have said, has acted responsibly to ensure that our fiscal and financial firepower is able to adapt and be resilient in future years, but he has also been responsible, ensuring that, when we see the road map unveiled and businesses are able to unlock at the end of June, they can do so with the certainty that the Government are there to support them.

The move to extend the 5% VAT cut, on which I am sure I have annoyed the Treasury on a number of occasions, is a welcome step. More importantly, the improvement of a sliding mechanism to 12.5%, providing that certainty for businesses, is also very welcome. In seats such as mine, where tourism and hospitality are so integral to our local economy, it will make all the difference for those businesses that have faced over 200 days without customers or service. It will make the difference, and the same can be said for the provision on business rates.

One overlooked group has been young people. I know that the Chancellor has bonded with young people recently by saying that he is a Coca-Cola addict. Well, this Budget goes further. It also makes the point that, to ensure we have productivity and growth in future years,

[Anthony Mangnall]

we are able to provide the opportunity for young people to find the jobs they need, get the training they want and get the support that they need in the economy not just in London, but across the entire United Kingdom. It is particularly welcome to hear about work coaches, the kickstart scheme, the life skills guarantee, and encouraging and incentivising further apprenticeship schemes. That is extremely welcome, but I hope we can go further. Since organisations such as the National Union of Students seem incapable of doing so, we must stand up for university students who have over-paid for essential Zoom lessons over the last 13 months.

Lastly, it is particularly welcome to see a free port being designated in Plymouth and south Devon, not just for Plymouth itself but for the surrounding area. For those hydrographic and oceanographic companies that manufacture in my patch, and for those companies that can export the very best produce of south Devon, this will make a huge difference. It is an example of levelling up across the whole country and our commitment to providing opportunity in every region of the United Kingdom of Great Britain and Northern Ireland. I hope that the Opposition will recognise that this is a Budget that is fiscally pro-business and will deliver for generations to come.

6.21 pm

Brendan Clarke-Smith (Bassetlaw) (Con) [V]: This is a Budget that not only supports our country in the here and now, but can truly set us on a path to bounce back from covid-19 and build a brighter future. While the Opposition only see problems and obstacles to reach our goal, this ambitious Budget weaves through them and takes aim to spectacularly hit the target, in much the same way as one of Matt Le Tissier's wonder strikes the Chancellor would have seen growing up as a Southampton fan.

The furlough scheme has saved many jobs in Bassetlaw. Extending the scheme to September will make sure that businesses can recover in a steady and sustainable way. Many of those who are self-employed have benefited from the self-employment income support scheme. I am delighted that it will now be extended to those who are 2019-20 starters. The restart grants will be of huge benefit for the many retail, hospitality, leisure and personal care businesses in Bassetlaw which have been hit hard by the pandemic. That will be welcome not just in our town centres but in our many villages, as will the extension to the business rates holiday and the tapering that will follow, as well as the VAT cut for the industries that have so desperately needed it.

The temporary extension to universal credit will benefit many of those who have found themselves in difficulty through no fault of their own, not the Opposition's permanent blank cheque. Home ownership is a British way of life and the stamp duty holiday and mortgage guarantee scheme will allow many young people and their families to get a foot on the ladder. While there will be an increase to corporation tax, the super deduction scheme is both innovative and encourages investment at a time when we need it more than ever. The United Kingdom will be the place to invest.

This Budget also brings with it the fantastic news that the east midlands free port has been confirmed. This will

bring 60,000 skilled jobs to our region. This was a bid I was proud to support with colleagues from this House and local stakeholders.

A strong and balanced Budget enables us to pursue many of the priorities that are important for local people and for truly levelling up. Bassetlaw has received £150,000 to put together a business case and apply for the levelling up fund. We are passionate about seeing investment in Bassetlaw Hospital and making sure we also have the mental health provision we need in our communities. We want to see flood defences to protect our homes and businesses, be that in West Stockwith, Retford or Worksop. We want to see investment in our town centres. We want to see improved transport and infrastructure, such as extending the Robin Hood line to Retford. This Budget sets us on a path to recognising those goals and I wholeheartedly support it.

6.24 pm

Mike Wood (Dudley South) (Con): I, too, thank the Chancellor for delivering a solid a Budget statement in very challenging times. His achievement is reflected in the fact that the official Opposition party ran out of speakers well over half an hour ago, so little was there to say in response.

The Chancellor had three primary tasks today: first, to provide immediate support to protect the jobs and livelihoods of the people in our constituencies while the impact of this pandemic continues to be felt so sharply; secondly, to lay a framework for rebuilding and the recovery as part of the road map to reopening; and thirdly, to level up—to rebalance our economy away from over-reliance on a small number of sectors in a relatively small part of the country. He achieved that in today's Budget, seemingly leaving the Leader of the Opposition with very little left to say—although, being the Leader of the Opposition, that did not seem to prevent him from taking a long time to demonstrate the fact.

The immediate support for people's jobs and livelihoods is clear. The extension to the job retention scheme will help 5,300 of my constituents in Dudley South, and I am pleased to see that the support offered to self-employed workers is being extended to cover some of the more recent entries into that part of the labour market.

As we start to reopen and rebuild, the support that has been put in place for so many of the parts of the economy that have been hit hardest by lockdown and the pandemic, particularly retail and hospitality—the restart grants; the freeze on VAT for hospitality and tourism; the freeze on duties, cancelling the index-linked duty rises; and the extension of the business rates holiday—is extremely important for major employers in our constituencies.

Finally, on levelling up, the Leader of the Opposition spoke about the last 10 years. Actually, under the last Labour Government, Dudley's gross value added relative to the rest of the country fell from 78% in 1997 to a really quite woeful 64% in 2010. Since 2013, we have started to address that, and it has started to increase; in the five years before this pandemic, salaries in Dudley rose more quickly than anywhere else in the country. I am pleased that Dudley has been identified as a priority area for the UK renewal fund and the levelling up fund, investing in our people and our infrastructure.

6.27 pm

Antony Higginbotham (Burnley) (Con): In this Budget, the Chancellor and everyone in Her Majesty's Treasury have pulled out all the stops, left no stone unturned and directed the enormous financial firepower of the Government at building back better. But before we can do that, we have to get through the next few months, as millions more vaccines are administered and businesses prepare to open.

The restart grants will be an enormous lifeline to so many local businesses—gyms such as FX Fitness Experience; salons and barbers such as Jack Jones; and pubs such as the Hapton Inn and the Crooked Billet. They now have a date to reopen and Government support to do it.

However, the Chancellor has also been honest about the economic impact that coronavirus has had. When I was elected in December 2019, yes, it was to level up and give Burnley and Padiham the Government focus they deserve, but it was also to ensure that our economy was properly managed—not the reckless spending that was on offer from the Labour leadership, but Conservative management, which meant that we entered this economic crisis in a way that has allowed us to wrap our arms around the country. That same management will ensure that we can do the same again when the next crisis hits.

It is with that in mind that, as a low-tax Conservative, I agree with the tax measures announced today. While this Budget keeps taxes low, with things such as the VAT reduction sustained and alcohol and fuel duty frozen, it also begins the task of repairing the public finances, which we must do. It strikes the right balance, paving the way for corporation tax to increase on businesses that are making healthy and sustainable profits, but ensuring that losses can be carried back for longer, and it provides much-needed support to our SMEs through a reduced tax rate.

Then we have the announcement of the super deduction. For areas such as Burnley, where we have a significant manufacturing sector, that could be transformational. It means that local businesses in everything from aerospace to construction are incentivised to invest in new equipment and new machinery, boosting productivity, creating jobs and powering our local recovery. We should not underestimate the impact any of that will have.

Finally, I turn to the levelling-up agenda, which I care deeply about. Just a few weeks ago, I was on the BBC's "Politics North West", and the shadow Business Minister said that when Labour was in government, it invested in the cities. As this Budget shows, this Government are investing in the towns, too. Nothing embodies that more than the levelling-up fund and the community renewal fund. These two funds will allow Burnley and Padiham to bid for tens of millions of pounds to regenerate our town centre, boost the high street, improve our infrastructure and make our area a place that people want to live, work and invest. As this Budget shows—

Mr Deputy Speaker (Mr Nigel Evans): Order. I call Andrew Griffith.

6.30 pm

Andrew Griffith (Arundel and South Downs) (Con): The support that the Government have put in place to protect jobs and livelihoods during the pandemic has been exceptional. The challenge today was to put in place pro-growth, pro-innovation policies to support

the economy in the short term and fix the public finances in the medium term. Today, our Chancellor rose to that challenge. He delivered a Budget that puts in place the foundations to build a dynamic, pro-growth, pro-enterprise economy for the future. That is something I am particularly focused on, having spent most of the previous three decades in UK business.

Small businesses in particular—the mitochondrial beating heart of our economy—are central to the recovery. They have borne the brunt of this pandemic, which is why restart grants of up to £18,000 for our retail, hospitality and leisure businesses are particularly welcome, as are the extensions to the business rate holiday and the temporary 5% VAT cut. Together, they constitute a real lifeline for business.

It is also crucial for global Britain that we create the conditions for high-growth, innovative companies to choose the UK as the place to set up shop. Visa reforms to attract high-skilled, talented migrants to come to these shores are particularly welcome, as is the new future fund breakthrough scheme to support innovation and technology businesses.

My right hon. Friend the Chancellor also delivered some candid truths about the need to begin fixing our public finances, which I believe the British people already instinctively understand. Deploying the impressive support during a pandemic was only possible as a result of past sound finances. Without action to rein it in, our debt pile will continue to rise, even after we have recovered from this crisis. Maintaining the quality public services that we all want requires sustainably strong public finances.

A surprise centrepiece of today's Budget for business was the revolutionary super deduction to encourage companies to unleash their potential and to get on with investing and building the future. In effect, the Government are standing shoulder to shoulder with risk takers, founders, entrepreneurs and investors. When companies invest in capital, they will be able to reduce their tax bill by an incredible 130% of the cost of investment.

As we emerge from this pandemic, we need to build a United Kingdom that is fit for the future. This Budget takes an important step on that path by balancing growth, investment and enterprise with a clear, honest plan to fix our public finances. By doing so, those on the Government Benches will deliver on the promises we made to the British people.

6.33 pm

Jacob Young (Redcar) (Con): Today's Budget comes as a strong sense of relief for the country, for my constituents and probably also for this House, as it never has to hear me ask for a freeport in Teesside again. I could not be more buzzing that we were successful in our freeport bid, and I thank the Chancellor and the Secretary of State for Housing, Communities and Local Government for selecting Teesside. I also pay tribute to the enormous effort made by my hon. Friend the Member for Middlesbrough South and East Cleveland (Mr Clarke), who has campaigned on this issue since he was elected. I also pay tribute to the officers of the Tees Valley Combined Authority, particularly Chris Rowell and Julie Gillespie, who I know have worked incredibly hard on our bid. The biggest thanks have to go to our Tees Valley Mayor, Ben Houchen, without whom we would not have achieved the real transformation we have begun in Teesside over the past few years.

[Jacob Young]

This is what this Budget means for my constituents in Redcar and Cleveland: a restart. I felt quite emotional listening to the Chancellor speak about my community in the way that he did, because it is a truth that every Teessider knows that when Gladstone called us “the infant Hercules”, he meant it—and it is not that we were the infant Hercules but that we are the infant Hercules.

Before coming into this role, I spent nine years working and training in Teesside’s chemical industry, so when we talk about protecting these jobs and creating more of them, those are not statistics to me—they are my former colleagues, and I am completely focused on securing their futures. The fatal blow that Redcar and Cleveland experienced just six years ago with the closure of SSI felt like something that we would never recover from. Now, six years on, the 4,500-acre site is going to be the centre point of the UK’s largest free port and home to 18,000 jobs over the next five years. That is levelling up in action; that is the transformation of Teesside.

But for Teesside this Budget is not just about a free port. It is about no personal tax rises in VAT, national insurance or income tax. It is about £150,000 for our council to look at ways to level up our area. I already know two things that they can look at: Eston swimming pool and a proper new pier in Redcar. It is about the Treasury moving to Darlington and having the most influential Government Department on our doorsteps—something I think the Leader of the Opposition will regret ridiculing in years to come. It is about the business restart grant of up to £18,000 to help us to reopen and never have to close again. It is about the 5% deposit mortgages that people can start to claim from next month, making it so much easier to buy a home. It is about the investment in Teesside airport to make sure we can fly again once the restrictions are lifted. It is about extending the VAT cut for hospitality and freezing alcohol duty so that we can all enjoy a cheap pint when this nightmare is over.

There are tough times ahead, but this is a Budget that spreads prosperity and helps us to genuinely level up while we recover from the pandemic. This is a Budget for Teesside delivered by a northern Chancellor, and I fully support him in it.

6.36 pm

James Daly (Bury North) (Con): Although I will try to be more articulate, all I can say to begin with is that this is a brilliant Budget. It is transformational, dynamic, hopeful and inspirational, and it is the basis to change lives.

Colleagues have talked at great length about various parts of the Budget, but I would like to concentrate on a number of factors that affect my constituency. Page 60 of the Red Book refers to the community ownership fund: a £150 million fund to help ensure that communities across the UK can buy local facilities that benefit the people in their areas. I quote:

“In exceptional cases up to £1 million of matched funding will be available to help establish a community-owned sports club or buy a sports ground at risk of loss from the community.”

That could have been written for Gigg Lane. Gigg Lane is central to Bury’s identity. It is a heritage asset, a cultural asset and a sporting asset. This Chancellor has delivered the opportunity for my community—and hopefully

my council will come on board—to bid to ensure that Gigg Lane is owned by the community for the people of Bury in perpetuity.

But it does not stop there with the fund. Not only can a community group bid for a sporting asset like that—it can also bid for theatres. As you are an MP very close by, Mr Deputy Speaker, you will know this, but in Ramsbottom in my constituency there is a theatre, Co-op Hall, one of only five in the country, built in 1870 as a court meeting place. It has its original features inside. It is a unique cultural jewel within the country, let alone my region. Local community activists are working together hoping to find a way to buy this asset to create a meeting space for people of all ages, sexes, backgrounds, disabilities, whatever it is, and this offers a chance to do that.

My colleagues have spoken articulately about some of the wide-ranging policies that will benefit millions upon millions of people within our country, but this hopeful prospectus gives communities such as mine the chance to change lives and to change and impact how we feel about our areas. If the pandemic has done one thing, it has made everyone aware of how much pride we take in where we are from, and this Budget reinforces that.

Like the constituencies of a number of colleagues, Bury thankfully has priority status for the levelling-up fund. I have already started speaking to the Chancellor about investment in the world-famous Bury market. Hopefully, with the funding of £125,000 that has been provided, we will not only have Gigg Lane and an 1870s theatre but the world-famous Bury market, supporting our fantastic traders and bringing prosperity to the town. I congratulate the Chancellor on a fantastic, brilliant Budget that gives hope to my constituents.

Mr Deputy Speaker (Mr Nigel Evans): And Bury market has the best black pudding.

6.39 pm

Felicity Buchan (Kensington) (Con): I warmly welcome my right hon. Friend’s Budget, and the honesty and openness with which it was delivered, because the Chancellor has levelled with the British public as to the scale of the debt challenge that we face as a country. This Budget achieved a delicate balance. It extended Government support to businesses and individuals until the end of September, while at the same time setting out a road map for rebalancing our books. Very importantly, it delayed any tax rises for two years to give the economic recovery time to bed in.

The Chancellor set out that the total cost of coronavirus support will exceed £400 billion. That is very difficult to get a visual sense of, but to put it in context, it is 10 times last year’s defence budget—huge numbers. I warmly welcome the focus on business investment in the Budget. Productivity has been a perennial problem. I also warmly welcome the tiering of corporation tax. In fact, I was with Kensington and Chelsea chamber of commerce last night, and someone suggested that on the call, so perhaps the Chancellor was listening in.

On that note, I want to talk briefly about three constituency matters. One is stamp duty. I welcome the extension of the nil rate, but I feel we need a fundamental reform of stamp duty. Stamp duty is a tax on social mobility, and in my constituency, where property prices

are high, it is a disincentive for people to move, with the result that the Exchequer's tax take goes down. Secondly, I did not see in the Budget any further detail on cladding remediation and the property development tax, so I look forward to seeing those details over the course of the next few weeks. Finally, I warmly welcome the restart grants, but one point I would make is that in London business costs are way higher. Typical rents in London are two to three times the national average, so I would ask the Chancellor to consider a London weighting for grants.

To summarise, I warmly welcome this Budget, and the honesty and openness. We have big challenges ahead, but collectively we can deal with them.

6.42 pm

Anthony Browne (South Cambridgeshire) (Con): I do not normally start my speeches by citing former Labour Ministers in support, but I have noticed that Frank Field, Lord Field, has issued a tweet saying:

“Best budget in my 42 years in politics.”

I always thought he was very wild that Mr Frank Field.

Actually, the ultimate accolade came from the Leader of the Opposition. I listened to his speech from beginning to end, and he had nothing to say—no line of attack. In fact, it is not really surprising. I have been struck time and again since coming here how little the Labour party has to say about growth. The public sector has helped pull us through this crisis, and we have all thanked it deeply, but it is the private sector—businesses, private enterprise—that will rebuild the economy, taking us out of it. Only the private sector can create the jobs that we need and pay the taxes that we need to pay for public services.

This is a Budget for rescue, a Budget for recovery and a Budget for repair. As a Budget for rescue, it is absolutely right that the Chancellor has continued support for people and businesses until the pandemic is well and truly over. His actions have saved 1.8 million jobs, probably more than any other Chancellor in history. As a Budget for recovery, I called for a Budget for growth and that is exactly what this is. There is a whole package of useful measures, such as the Help to Grow scheme, subsidies for apprenticeships and the three-year carry-back. The super deduction for investment is inspired. It will lead to a tidal wave of investment, creating jobs and growth.

In terms of repair, we have a moral duty to balance the books of this country. It would be a betrayal of future generations not to live within our means. For a low-tax Conservative such as me, seeing tax rises I like is as rare as hen's teeth, but even fiscal conservatives have to admit that sometimes taxes have to rise, and now is such a time. There is no fairer way to do it than to freeze the threshold on income tax and to raise corporation tax on highly profitable companies. As the Office for Budget Responsibility figures show, these measures will lead to the stabilisation of the national debt in 2023—just two years' time. That is a remarkable achievement and incredibly reassuring.

The Chancellor did not say much about this in his speech, but it is also very much a green Budget, with the retail green bonds; the infrastructure bank, largely funding green projects; the green mandate for the Bank of England and its Monetary Policy Committee; and a

review to get London to be the world leader in carbon offset markets. I fully welcome that. There is a lot to like in this Budget and nothing to dislike in it. I recommend it to the House.

6.45 pm

Marco Longhi (Dudley North) (Con) [V]: The fallout around the globe from covid-19 is immense in human terms and economic terms. Most people here want to know whether this Budget means they will have jobs to pay their bills, whether their business will survive and whether they should invest or shut up shop. Throughout the pandemic, we have seen the Government step in and embrace the whole United Kingdom, supporting it to unprecedented post-war levels.

Today, that has been reaffirmed with continued and deeper support, which is, crucially, complemented by a road map that shows the way to sustainable finances in the future—something that we and most people know would have been tragically lacking if the Opposition had been in control. This country, more than ever before, needs people with a track record of success, people with vision and strategy and people who will make things happen. The Chancellor has delivered the tools. We now need to deliver by combining impressive vision and creativity with sound fiscal plans for recovery.

Dudley and the west midlands have been supported by the Government, but we must now translate this support into real jobs and economic growth. Here is a question: are we best served by keeping this delivery team of Conservative MPs, Conservative Mayor and Conservative Government together, with Andy Street leading us as Mayor, or by breaking those important links by having his challenger for Mayor, a former Labour Treasury Minister—the very same person who infamously played his part in bankrupting the country, leaving a note behind saying that the money had run out, and “good luck”? Let us hope that the people of the west midlands remember these facts in May.

This is a people's Budget from a people's Chancellor. It is a clever Budget for growth. The super deduction scheme exemplifies everything that a Conservative pro-business, pro-growth, pro-trade, pro-jobs Government will deliver, in stark contrast with the Opposition's fence-sitting, hindsight sniping, dilly-dallying, tax and economy-busting incompetence that we have all seen this year and in previous decades.

I hope to soon be rejoining my constituents for a pint of duty-frozen Holden's Golden Glow, to celebrate the continued success of this local brewery and the jobs it provides. Thanks to the vaccine and its roll-out, and thanks to this fantastic Budget, we have great reasons for optimism and prosperous times ahead.

6.48 pm

Imran Ahmad Khan (Wakefield) (Con) [V]: It is a privilege to follow my hon. Friend the Member for Dudley North (Marco Longhi) and to speak on the first day of the Budget debate. Today's Budget is a purposeful response to truly unprecedented circumstances. The economic and social impact inflicted by the pandemic has radically altered our world. The UK economy has just experienced the worst recession in hundreds of years. Millions of individuals and tens of thousands of employers have turned to the Government and received

[Imran Ahmad Khan]

help. I congratulate and thank my right hon. Friend the Chancellor and his Treasury team for presenting a Budget with the singular purpose of tackling the challenges that we face.

Although I would object to overreaching state intervention, this crisis requires unprecedented action. We in the Conservative party understand that in times of genuine national crisis, the state is the only entity that possesses the necessary machinery and resources to respond effectively. Today's Budget does not herald a permanent or evolutionary change in the nature of the state. I am pleased that the furlough scheme and other support mechanisms will continue while our remarkable vaccination programme advances and we emerge from lockdown. They are vital recovery support mechanisms.

I thank the Chancellor for the additional support provided specifically for my constituency, Wakefield. Some £25 million has been allocated to Wakefield's town fund, with a further £5 million from the Department for Digital, Culture, Media and Sport and £150,000 from the levelling-up fund, which will be used to scope and frame innovative bids that have the potential to reset, repurpose and revitalise Wakefield.

The £25 million will be instrumental in the redevelopment of Wakefield, including areas such as the old Westgate station, Little Westgate and Bread Street, the Kirkgate gateway neighbourhood and the wider Kirkgate area. These rejuvenation projects will be a critical step in the levelling up of areas that have long felt left behind, ensuring that Wakefield and other similar cities are attractive places to live and work.

Once we enter a post-covid age, the Government must rely on the power and dynamism of the unfettered market economy and drive forward our economic growth and prosperity. I conclude by congratulating my right hon. Friend the Chancellor on today's Budget and on providing the support mechanisms so desperately needed by our businesses and industries. I look forward with optimism to Her Majesty's Government returning to secure the traditional Conservative objectives of reducing the remit of the state and unleashing the power of businesses and markets to drive forward growth.

6.51 pm

Andy Carter (Warrington South) (Con) [V]: It is a pleasure, as always, to follow my hon. Friend the Member for Wakefield (Imran Ahmad Khan)—although my video background is not quite as regal.

Today's Budget is pivotal for the UK's recovery. It recognises the pain that so many hard-working families have experienced over the past 12 months, but it also puts us on a pathway to recovery while offering a safety net for those sectors that have been most impacted and are not yet able to reopen. I am particularly pleased to hear promising numbers from the Office for Budget Responsibility on improved growth.

It is business, particularly small business, that will be the engine that drives our recovery, so I thank my right hon. Friend the Chancellor for listening, particularly in respect of the extension to the self-employment scheme and the restart grants, which will help to protect many businesses that have been forced to close.

I am also pleased that the Chancellor has extended the cut to VAT to support the hospitality sector. Alongside the freeze on beer and spirit duty, that is an essential step for pubs and restaurants as they begin to reopen over the summer.

Small business makes up 98% of the total business population, so a small business rate of corporation tax protects many from the risk of being disincentivised from striving for the next level.

The Chancellor has rightly set out steps—such as increasing corporation tax to 25%—to reduce the strain on our public finances. I say this as a low-tax Conservative: it is important that big business pays its way in society, and those businesses that have done well in recent months should support the economic recovery.

The super deduction scheme is a welcome addition to allow businesses to invest back into their companies. Just today, I heard from a company to which I had spoken last week that is keen to install new plant: the super deduction scheme was the gift that it had been waiting for.

We have seen some significant measures supported by the Help to Grow scheme, which will give companies here in Warrington an incentive to digitally innovate and transform their business. Many such businesses have operated in a traditional sense but learned, through the pandemic, that the opportunity for growth may well be beyond their traditional customer base.

For generation rent, we have today's news that the Government plan to back a scheme to help first-time buyers with a new 95% mortgage that is easily accessible through high street banks. That is a way to help young families in Warrington get on the property ladder, and will make an incredible difference to their lives and the lives of many families in years to come.

Having felt the wrath of Storm Christoph in January, I was pleased to see £5.2 billion for flood defence programmes to start in April, including a scheme for Warrington.

Finally, the Chancellor today started to make good on his priority to level up by building our future economy and investing in every corner of the United Kingdom, with Warrington benefiting from a high-potential opportunities programme. Put that alongside a new freeport in the north-west, and this really is an encouraging business Budget.

6.54 pm

Chris Loder (West Dorset) (Con): No greater effort has been made in peacetime than what we have seen over the last 12 months in our national response to covid—at great personal cost but also, for many, at great financial cost. That is why we are now faced with almost £2 trillion of national debt. The level of expenditure is a cause of great concern and nervousness for me, as someone who has always paid my way and spent within my means. However, I know that the Chancellor will not want to borrow £355 billion this year, if at all possible, because borrowing at the current rate might be okay for the moment but clearly places us in a position of risk going forward.

Thank goodness, however, that there is a Conservative Chancellor in No. 11 Downing Street. Where would we be if we had a Labour Chancellor? I recall vividly the last Labour Chief Secretary to the Treasury—I even

have his note here just to remind me what it would be like if there was not a Conservative Chancellor. I know that our Conservative Chancellor will look to get this financial situation under control. I am extremely pleased that he is doing his work, and I think we will see a renewed effort across the nation after covid to ensure that borrowing more generally is also brought under control, locally and personally. I listened intently from my office to the speech by the right hon. Member for Birmingham, Hodge Hill (Liam Byrne). I was very sorry to hear what he had to say—he was very critical of the Chancellor and his Ministers, who are doing exceptional work in exceptional times. He was also very critical of the Mayor of the west midlands, which I thought was desperately unfair. I just wanted to feed that back so the House knew full well the extent of feeling not just in this House, but across the nation.

In West Dorset, we are a community that continues to contribute to the national effort, and to help ourselves and others not just financially, but in that community spirit. With 15% of my constituents employed in tourism and 18% of them self-employed, the Chancellor's measures in this statement are very much welcome. The 95% mortgage guarantee is also much welcomed by young people, to help them to get on the housing ladder.

The measures to extend the 5% VAT rate and the business rates holiday will make a huge, positive impact to the economy in West Dorset. I look forward to seeing an economic recovery after covid not just in West Dorset, but for the nation, and I thank the Chancellor and his team very much for that.

6.57 pm

Mr Richard Holden (North West Durham) (Con): I want to concentrate quickly on three key points today. First, I thought that this was an excellent Budget, which was about recovery, delivering on our manifesto and economic credibility in the long term.

On the recovery, I support the extension of the support and the grants through to September this year. That is really important for all our businesses and for people in employment locally. The VAT support—5% rising to 12.5%—will also give our hospitality sector real time to get on its feet. I ally that with a campaign that I was involved in, along with many Conservative Members, to ensure that our pubs and clubs could get back to recovery with no increase in beer, spirits or wine duty. That is really important. Fuel duty is hugely important for communities such as mine, because those taxes are particularly regressive on people just going back into work at the moment, so those measures are absolutely vital and very welcome.

On delivering the manifesto, it is quite clear that we are doing a cracking job. The cash is there for the police and the NHS. There is a cash increase for schools, as well as cash for the environment—that is really important—and for levelling up, and I will touch briefly on what that means for the north-east today. We have seen that great new freeport in Teesside. We are seeing the Treasury coming to Darlington. That is really important and recognises how important our towns are. Hopefully, that will feed through into some of the Treasury thinking more broadly. I hope that that boosts our campaign for the A68 upgrade, which I am working on with several other Members from across the north-east. I thank the

Chancellor for ensuring that that cash going into the NHS means that Shotley Bridge gets the extra £10 million that I have been campaigning for over the last few days.

This is about credibility; we have had a really honest approach from the Chancellor today, outlining where the cash has to come from. That is in stark contrast to the Labour party, which for years banged stealth taxes on our constituents against their wishes. Until the Opposition learn that lesson, they will never be in government again.

Ordered, That the debate be now adjourned.—(*Michael Tomlinson.*)

Debate to be resumed tomorrow.

Mr Deputy Speaker (Mr Nigel Evans): Will those leaving the Chamber please do so in a covid-friendly manner, particularly in order for the Minister to take his position?

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

PUBLIC SERVICE PENSIONS

That the draft Judicial Pensions (Fee-Paid Judges) (Amendment) Regulations 2021, which were laid before this House on 18 January, be approved.—(*Michael Tomlinson.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

RATING AND VALUATION

That the draft Non-Domestic Rating (Designated Area) Regulations 2021, which were laid before this House on 12 January, be approved.—(*Michael Tomlinson.*)

Question agreed to.

PETITION

Reopening of Leamside rail line

7.1 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab) [V]: I am pleased to be able to present this petition on behalf of my constituents who support the reopening of the Leamside rail line, which runs through my constituency. This petition is along the same lines as another petition that has been signed by 1,800 people over three weeks.

The petition states:

The petition of residents of the constituency of Washington and Sunderland West,

Declares that petitioners support the reopening of the Leamside rail line in full as the town of Washington needs a rail link; further that the rail line will bring economic and connectivity benefits for the North East; and further that it will bring infrastructure benefits for the East Coast Main Line.

The petitioners therefore request that the House of Commons urge the Government to ensure that the forthcoming Integrated Rail Plan allows for the re-opening of the Leamside Line in full and the re-introduction of rail services to Washington; to recognise the support of a forthcoming Restoring Your Railways bid to promote this; and calls on the Secretary of State for Transport to consider this proposal.

And the petitioners remain, etc.

[P002650]

Sexual Offences Act 2003: Positions of Trust

Motion made, and Question proposed, That this House do now adjourn.—(*Michael Tomlinson.*)

7.2 pm

Sarah Champion (Rotherham) (Lab) [V]: It is a huge honour to be here, Mr Deputy Speaker. Thank you for granting this debate about closing the loophole in the law to protect 16 and 17-year-olds from sexual exploitation.

I have been campaigning on this vital issue for years, but I wish we did not have to be here again. The only reason we are here is that the Government have failed time and again to listen to me, to other MPs, to peers, to charities—especially the NSPCC and Thirtyone:eight—and to victims and survivors of sexual exploitation. The Government have failed time and again to close a loophole in the Sexual Offences Act 2003 that leaves 16 and 17-year-olds open to sexual abuse. Currently, section 22 of the Act describes a person in a position of trust if they are

“regularly involved in caring for, training, supervising or being in sole charge”

of a child. Someone in a position of trust who then has sex with a 16 or 17-year-old in their care is acting unlawfully.

However, this sensible legislation only applies to adults working in a set of professions listed in section 21 of the Act, including teachers, care workers and youth justice staff. This loophole allows adults such as faith leaders or sports coaches—who clearly meet the criteria in section 22, but are not on the list of public sector professions—to be above the law, and therefore to engage in sexual activity with 16 and 17-year-olds in their care with impunity. Given the Government’s claim to be sending out what the Home Secretary’s foreword to her recent “Tackling Child Sexual Abuse strategy” describes as “a clear message to those who abuse our children”,

I fail to understand why, after years of persistent campaigning by Members across the House, action to protect children from being sexually exploited by adults in positions of trust has not been taken. In the same strategy, the Home Secretary goes on to state that

“if you think you can...abuse positions of trust—think again, you will pay for your crimes”,

but that is not true. Government inaction means that there remain a whole host of adults in positions of trust, from sports coaches to those in faith organisations, who are not covered by the law and who will simply say that the 16 or 17-year-old consented to a sexual relationship with them as their defence. That is if the abuse is ever discovered. The current legislation makes it the child’s responsibility to identify, report and be the witness in court to the abuse. This is totally unrealistic and unjust.

Closing the current loophole would simply make the act of sex with a child in your care a crime. Does the Minister really think that a maths teacher has more influence over a child than their sports coach? The child will see that sports coach every day, and the coach will have the power to make their dreams come true or dash them. Currently, the law does think that the maths teacher has more influence. I was pleased that, in 2019, the Ministry of Justice finally conducted an internal review into the law. Then, in March 2020, after being in

post for only a few short weeks, the Under-Secretary of State for Justice, the hon. Member for Cheltenham (Alex Chalk) stated that it was

“*crystal clear*...that this is an extremely important issue which requires a clear, considered and decisive response.”

The Minister went on to say that

“we should urgently consider all options, including legislative change, and must be in a position to announce next steps by the end of May.”—[*Official Report*, 4 March 2020; Vol. 672, c. 303WH.]

That was in March 2020, but as I am here again today, it goes without saying that no announcement was forthcoming. So I ask the Minister, given his May deadline, when exactly the Government will be able to announce the next steps to protect children.

In February 2003, Baroness Blatch highlighted the loophole and called for it to be addressed. The Baroness was the first to raise this concern, but she certainly was not the last. I would like to pay tribute to all those who, over the years, have urged the Government to close this loophole. In particular, I want to recognise the work of the hon. Member for Chatham and Aylesford (Tracey Crouch) and that of Tanni Grey-Thompson in the other place, both of whom have worked tirelessly to draw attention to predatory sports coaches abusing children in their care.

The Minister is aware that I have previously carried out an inquiry on this topic in my former role as chair of the all-party parliamentary group on safeguarding in faith settings. The APPG published its report in 2019. It highlighted that adults holding positions within faith organisations

“will automatically be seen as having authority, power and influence.”

There is a power imbalance, and when combined with the close, regular and intense contact between faith leaders and young people, this creates significant opportunities for grooming and abuse. Young people and their families place significant trust in these leaders, and there is a failure to question potential abusive behaviour or poor safeguarding standards. Many young people and parents assume that legislation prevents faith leaders and workers from engaging in sexual activity with children under their care.

That is the nub of it. If someone leaves their child in the care of a professional, even if the child is over the age of consent, it is completely logical to assume that the law would apply if that professional failed in their duty to safeguard. Sadly, because of Government inaction, parents are making the wrong assumption. The law does not prevent faith leaders, sports coaches, driving instructors, tutors or even police officers from engaging in sexual activity with a 16 or 17-year-old under their supervision. It is important to add that many children will have been groomed by the professional prior to their turning 16, and they will actually believe that they are in a relationship with their abuser.

Let us take the example of Hannah—not her real name—who featured in the NSPCC “Close the loophole” campaign. Hannah swam from a young age and took her training seriously. She admired her coach, Jeff, and would work hard to be given praise by him. When she was 15, Hannah was having a difficult time, and Jeff built up her trust by supporting her. After Hannah turned 16, Jeff started to compliment her, saying she looked nice, or that her clothes looked nice on her. He said she looked beautiful and attractive. Hannah says that she had not heard a man say those kinds of things

to her before, and she was unsure how she felt about it, but things progressed to the point where they started having sex. The relationship lasted over a year before a disclosure revealed what had happened. The police questioned Jeff, but no charges were brought, due to Hannah being over 16 and therefore able to consent to sex.

A Freedom of Information request commissioned by the NSPCC found that between 2014 and 2018, there was a total of 653 recorded cases in which adults in a position of trust had had a sexual relationship with a child of 16 or 17 in their care. What really horrifies me is that those numbers will be just the tip of the iceberg. As the law stands, it is the child's word against their abuser—if the offence is ever uncovered—which means that the vast majority of cases will never see the light of day, let alone be investigated or recorded. That is just as the abuser intended.

The all-party parliamentary group on safeguarding in faith settings, the NSPCC, the independent inquiry into child sexual abuse, Thirtyone:eight, the Church of England, Sport England, West Midlands police, the Offside Trust, the former Chancellor of the Exchequer and even the Home Secretary are all calling on the Government to close this loophole to protect children. What more will it take for the Minister to act?

Protecting children and young people from harm should be one of society's top priorities. It is really is quite simple. The law needs to change so that all adults who hold a position of trust over a child, even if that child is 16 or 17, must be banned from having sex with them. Over the years of campaigning on this, I have heard the same justifications for doing nothing from a host of different Ministers.

I suspect that tonight the Minister will highlight that the law around positions of trust offences is complex, and that any reforms should not unduly impinge upon the sexual rights and freedoms of those who are over 16. The Minister may say that a broad new definition of positions of trust could result in the age of consent being raised by stealth. I appreciate and understand the complexities here, and of course the unintended consequences must be considered.

I am not here to argue for denying young people age-appropriate rights to agency and self-determination, but we cannot abandon our duty to protect children from abuse when it is clearly happening. Children and young people across the country will soon be returning to school and many will again participate in vital extracurricular activity after an incredibly difficult year. The Minister has the ability to protect those children from abuse. He has already acknowledged the urgency and pressing nature of this problem, so will he confirm tonight that the Government will once and for all close the loophole in the Sexual Offences Act 2003 and make sure that 16 and 17-year-olds are protected from all predatory professionals in a position of trust over them? Minister, I await your answer.

Mr Deputy Speaker (Mr Nigel Evans): Thank you, Sarah Champion. The Dispatch Box was sanitised while we were off screen.

7.12 pm

The Parliamentary Under-Secretary of State for Justice (Alex Chalk): I congratulate the hon. Member for Rotherham (Sarah Champion) on securing the debate

on the law about positions of trust and the Sexual Offences Act 2003. She is right—she has a strong interest in this area of law, and she deserves the House's thanks for her work, including steering the work of the all-party parliamentary group on safeguarding in faith settings, which has helped inform our thinking as we consider the protections afforded to children and young people by the criminal law.

I confess I was a little disappointed by the very partisan tone that the hon. Lady took. Lest we forget, in 2003, under a Labour Government, a deliberate decision was made to limit the reach of the criminal law in this way. To emphasise that point, the Lord Chancellor at the time is the current shadow Attorney General. When we consider these matters, it is important to take some of the political sting out of it and recognise that they are difficult issues.

Our shared priority across the House is of course safeguarding young people and I welcome the opportunity to debate the important issue of the abuse of power by those who hold positions of trust in relation to young people and choose to exploit that to engage in sexual activity.

I acknowledge that it has taken a little time for us to share our next steps following our review of the law in this area, but I hope that the hon. Lady will appreciate that extending of the scope of protection gives rise to the complex issues that have had to be considered in a challenging broader public health context.

The hon. Lady is right; we did have a debate in March last year. As she will be aware, there have since been a number of competing considerations, but I hope that I can reassure her that our work in this important area remains a priority. We are continuing to look at how the law might be strengthened in this area, and I hope to set out our plans very shortly.

Jim Shannon (Strangford) (DUP): I commend the hon. Member for Rotherham (Sarah Champion)—she is Champion by name and champion for the work that she does, which we all appreciate and thank her for very much. We live in a very different world, as the Minister knows, and I believe that we in this House have a duty to protect the vulnerable and also those in positions of trust. What discussions has he had with the devolved Administrations, such as the Northern Ireland Assembly, to ensure that, whatever legislation comes through, we all come under the same rules and law?

Alex Chalk: It is a pleasure, as always, to hear from the hon. Gentleman. Indeed, I remember him asking this important question when we were in Westminster Hall. We have been sure to consult all the devolved Administrations, as indeed have sports bodies and faith bodies operating in those jurisdictions, because we want to ensure that we received feedback from across the United Kingdom in order to reach the right result.

Let us begin with some first principles, because they really are important. Any sexual activity with a child under 16 is a serious criminal offence regardless of whether consent is given. Equally, any non-consensual sexual activity is a crime whatever the age of the victim and whatever the relationship between the victim and the perpetrator. If an adult has sexual intercourse with someone over 16 and they do not consent, that is a crime in all circumstances.

[Alex Chalk]

Furthermore, when it comes to consent, the law has developed through our courts to ensure that, in many circumstances, if the perpetrator was in a position of power where they could abuse the trust placed in them by a victim, that may negate—or may vitiate, in the words of the law—any supposed consent given. It is always important to consider the facts of individual cases and recognise that law in any event may be apt to cover the criminality that is engaged.

However, alongside the more general sexual offences that address this behaviour, as hon. Members will be aware, and as the hon. Member for Rotherham has made clear, the Sexual Offences Act 2003 contains a number of offences that specifically target any sexual activity between a 16 or 17-year-old young person and a person who holds a defined responsibility of trust in respect of that young person, even if such activity is consensual. Those offences were designed to build on the general child sex offences in the 2003 Act, but they are defined to target situations in which the young person has considerable dependency on the adult involved, often combined with an element of vulnerability.

It is clear from the debates that took place in 2003 that the House was wrestling then, as indeed it is invited by the hon. Lady to wrestle now, with the balance that she struck. How do we broaden the offence to catch those people who are truly abusing their trust without making it so broad that, in effect, we raise by stealth the age of consent? She raises it as if to dismiss it, but it is none the less an extremely important consideration, because I venture to suggest that were the House to frame the offences too widely, in effect criminalising any person over 18 having sex with anyone aged 16 to 17, that would neither be in the public interest, nor would it meet the will of Parliament.

However, for all of that, the Government recognise that the current law may not be sufficient—this is the point I was making last year, and I reiterate it today—in dealing with situations in which an adult abuses their position of trust in order to exploit a 16 or 17-year-old, and that in the past victims have felt that the law was inadequate in this area. It is because the protection of children and young people from the scourge of sexual abuse and exploitation is one of this Government's top priorities that we have looked at the issue in very great detail—in unapologetic detail. Making certain that the law continues to be effective in providing that protection is not just our priority, but our duty.

As the hon. Lady indicated, in 2019 we began an exhaustive review of the law on such abuses of positions of trust, to ascertain whether it is working effectively and to ensure that young people are fully protected. In essence, we were considering whether the House had got it right in 2003 or not. To ensure that young people are adequately protected, the review has considered a range of situations and settings in which a young person could be considered to be at risk from an adult holding a position of trust, including those that she has referred to in relation to religion and faith. But my goodness, that is not the extent of it, because as soon as we start down that road, plenty of other contexts hove into view, and that is what we need to consider with care.

A wide range of stakeholders were consulted to ensure that we developed a thorough understanding of the issues before establishing the best way forward. For

example, across the youth and criminal justice sectors, the review engaged the police, the Crown Prosecution Service, sports bodies, victims' groups, charities and religious organisations to discuss concerns around how well the law is working to protect young people against those seeking to abuse their power in this way.

In the area of faith and religion, to which the hon. Lady referred, we engaged key groups such as the Anglican dioceses of Chichester and Lincoln, the Board of Deputies of British Jews, academics, Gardens of Peace, Hindu Council UK, Marriage Care, Sikh Council UK and the St Philip's Centre. I could go on, but I do not want to trespass on the patience of the House. With regard to those involved in the sporting sector, the review team heard from a very broad range of stakeholders.

Since the review, we have continued to engage with those stakeholders, including the hon. Lady and, indeed, my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch). I was grateful to the hon. Lady for mentioning my hon. Friend—[*Interruption.*] The hon. Lady is giving a thumbs-up, so *Hansard* can record that. My hon. Friend has done tremendous work, and the Lord Chancellor and I met her and the hon. Lady last year.

The discussions that we have had have been candid and wide-ranging, and I am very grateful for that. A number of themes emerged during the engagement that go beyond the law in this area and are important for us to address. Let me make this point clear: almost everyone agreed that, whatever we change in the law, we will need a more broad-based spectrum in our approach to dealing with this. We need better provision of education; we need consideration of the effectiveness of the Disclosure and Barring Service system in practice; we need to raise awareness and understanding of what grooming and genuine consent really look like; and we need the measures that need to be put in place to protect young people from this type of abusive behaviour. I make that point because sometimes in this House we can be guilty of assuming that changing legislation fixes everything. It rarely does. It is important, of course, but it is rarely the complete answer.

A key topic raised with us was, of course, whether a change in the existing positions of trust legislation was required in order to best protect young adults from those who sought to use their position of power for sexual purposes. Many of those we heard from agreed that any change or reform of the existing laws raised difficult and complicated issues. There was a clear concern from some stakeholders that any broad or sweeping new definition could raise the age of consent by stealth. The risk is that if we go too far in one direction, the pendulum may swing all the way back in the other direction. Who will be the collateral damage in all this? Young people. That is why we proceed with care.

Conversely—I think that the hon. Lady will find this point more to her liking—there were those who said that drafting the law too narrowly, or perhaps by simply listing roles or jobs to be considered as positions of trust, in effect adding to the list, could create loopholes or definitions that could be easily exploited or circumvented by abusers. That is why we have to take care.

It is fair to say, however, that most stakeholders felt that a change in the law was required, and I can see the merits of change. It was made clear during the review that any legislative changes would need to be bolstered

by changes outside the criminal law in order to ensure an effective overall approach to safeguarding young people.

Let me conclude, however, by saying this. The Government are very sympathetic to concerns that have been raised throughout this process—not just sympathetic but, as I indicated in words that the hon. Lady was kind enough to repeat back to me, we agree that it requires a clear, considered and decisive response. We are continuing to look at how the law might be strengthened in this area, and as I indicated at the beginning of my speech, I hope to set out our plans very shortly.

Finally, I thank all those hon. Members who have contributed to the discussion of this sensitive topic. I am grateful to the hon. Lady, I am grateful to other colleagues in the House, and I am grateful too for the House's patience as we consider our next steps and for its understanding of the need for care and sensitivity in approaching this important issue.

Question put and agreed to.

7.24 pm

House adjourned.

Written Statements

Wednesday 3 March 2021

FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

British Council Annual Report and Accounts 2019-20

The Minister for Asia (Nigel Adams): Copies of the British Council's annual report and accounts for the 2019-20 financial year have been placed in the Libraries of both Houses.

The British Council builds connections, understanding and trust between people in the UK and other countries through arts and culture, education and the English language. As the UK's international organisation for cultural relations and educational opportunities, it makes a significant contribution to projecting British values overseas and generating soft power for the UK in return. In doing so it makes a lasting difference to the UK's security, prosperity and influence.

The British Council is the world's leading cultural relations organisation, with a reach in 2019-20 of 983 million people. This included 76 million direct interactions, through a presence in over 100 countries.

The Council received £187 million grant-in-aid, including £161 million ODA, from the FCO in 2019-20.

The report can also be found at the British Council's website: www.britishcouncil.org.

[HCWS817]

EEA EFTA Separation Agreement Joint Committee Meeting, 18 December 2020

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Wendy Morton): The EEA EFTA separation agreement agreed with Iceland, Norway and Liechtenstein protects citizens' rights and includes other separation provisions. These provisions wind down certain arrangements that the UK has with the EEA EFTA states by virtue of their participation in the single market and other EU-led initiatives. The agreement also establishes a Joint Committee whose primary role is to supervise and facilitate the implementation and application of the agreement, with the power to make decisions. The Joint Committee has a rotating chair, which, when held by the UK, will be chaired by a Minister from the Foreign, Commonwealth and Development Office, but may be delegated to officials.

The first meeting of the Joint Committee took place on 18 December 2020. The meeting was held by remote means, with the UK holding the rotating chair. All parties reaffirmed their commitment to ensuring the correct

and timely implementation of the citizens' rights part of the agreement, which protects the rights of EEA EFTA nationals living in the UK and UK nationals living in the EEA EFTA states and the agreement as a whole.

Two decisions were adopted by the Joint Committee. The first decision adopted was the rules of procedure for the Joint Committee, and the second was on "triangulation" under article 32 of the agreement. The triangulation provisions ensure that social security co-ordination rights between the UK, the EU and the EEA EFTA states continue for those in scope of the EEA EFTA separation agreement and the withdrawal agreement. Corresponding agreements between the EU and the UK, and the EU and the EEA EFTA states were in place by the end of the transition period, thus the Joint Committee was able to set the date from which the triangulation provisions would apply as 1 January 2021. Copies of each of these decisions have been deposited in the Libraries of both Houses.

The Joint Committee will meet at least annually, with Iceland holding the next rotating chair. The next meeting is expected to take place later in 2021.

[HCWS818]

NORTHERN IRELAND

Northern Ireland Protocol: Implementation

The Secretary of State for Northern Ireland (Brandon Lewis): As part of the pragmatic and proportionate implementation of the Northern Ireland protocol, the Government are taking several temporary operational steps to avoid disruptive cliff edges as engagement with the EU continues through the Joint Committee. These recognise that appropriate time must be provided for businesses to implement new requirements, and support the effective flow of goods between Great Britain and Northern Ireland.

For supermarkets and their suppliers, as part of the operational plan the UK committed to at the UK-EU Joint Committee on 24 February, the current scheme for temporary agrifood movements to Northern Ireland (STAMNI) will continue until 1 October. Certification requirements will then be introduced in phases alongside the roll-out of the digital assistance scheme.

In addition, further guidance will be provided later this week on parcel movements from Great Britain to Northern Ireland to provide necessary additional time for traders beyond 1 April. Guidance will also be set out to help address practical problems on soil attached to the movement of plants, seeds, bulbs, vegetables and agricultural machinery. And the Government will write to the Northern Ireland Executive to confirm that flexibilities within the Official Controls Regulation 2017/625 are such that no charging regime is required for agrifood goods.

[HCWS819]

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