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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 2 November 2021

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Support for Business

1. **Mr Virendra Sharma** (Ealing, Southall) (Lab): What fiscal steps he is taking to support businesses. [903977]

5. **James Sunderland** (Bracknell) (Con): What fiscal steps his Department is taking to encourage business investment. [903982]

The Chancellor of the Exchequer (Rishi Sunak): Last week's Budget set out an ambitious package to support business, enterprise and innovation: the super-deduction, new relief to incentivise investment, a reduction in business rates and investment in infrastructure, innovation and skills to drive future growth. This was a Budget that backed businesses across the United Kingdom.

Mr Sharma: Business rates are broken. Business owners on Boston Road and The Broadway in Southall in my constituency do not want hypocritical answers. They want the system fixed to support smaller businesses and help them to thrive. What will the Chancellor do to help them?

Rishi Sunak: Last week's Budget set out a £1.7 billion tax cut for many small and medium-sized businesses across the UK. It will mean that retail, hospitality and leisure businesses will see a 50% discount in their business rates next year, up to the value of £110,000 each. That will, of course, benefit many of the shops in Southall that the hon. Gentleman mentioned, and hopefully I can do my bit by visiting to buy my Diwali mithai later this week.

James Sunderland: The Chancellor will know that Bracknell has successfully reinvigorated its town centre and continues to be a great place to do business. Noting that Bracknell and neighbouring Wokingham have one of the lowest centrally funded budgets in the country from central Government, will he please reassure me that east Berkshire will not be passed by when it comes to levelling-up funding?

Rishi Sunak: I can assure my hon. Friend that, whether through the levelling-up fund, the community ownership fund or the community renewal fund, this Government have ambitions to level up across the entire United Kingdom. With regard to the local government funding he asks about, last week's spending review set out £1.6 billion over the year of additional cash grant, the precise allocation of which will be set out in due course by my right hon. Friend the Secretary of State for Levelling Up, Housing and Communities in the local government finance settlement.

Mr Pat McFadden (Wolverhampton South East) (Lab): I wish the Chancellor and my hon. Friend the Member for Ealing, Southall (Mr Sharma) a very happy Diwali. As well as all the tax rises on income and business that the Chancellor has announced in the past six months, buried in the Budget Red Book is a plan for a stealth tax on the self-employed of £1.7 billion over the next few years. After the past 18 months, in which many self-employed people have had no help at all, and when they are already being hit with the other tax rises he has announced, why are the self-employed now being hit with this extra tax rise, which he did not even mention in his Budget speech last week?

Rishi Sunak: There were no extra taxes for the self-employed in last week's Budget; the right hon. Gentleman may be referring to a timing difference that was reflected in the Budget scorecard of previously announced policies. With regard to the self-employed, he should take a moment to reflect on the fact that this Government provided almost £30 billion of support to millions of self-employed people throughout the crisis, and I am very glad that we did so.

Mr Mark Harper (Forest of Dean) (Con): May I first thank the Chancellor for the steps in the Budget to help retail, hospitality and leisure businesses? They have gone down very well in my constituency, where those businesses are important, were hit hard during the pandemic and were grateful for the support they got. People have commented to me that the most useful thing he can do is to focus on getting the public finances in order, as he spoke about in the latter part of his speech, so that we get taxes on a downward path as we go through this Parliament. That is the best fiscal way to help businesses to prosper in the future.

Rishi Sunak: As always, my right hon. Friend makes an excellent point, and I thank him for the eloquent speech he made on this topic last week. I wholeheartedly agree with him. My intention and goal over the rest of this Parliament is to reduce taxes, and we both know that the best way to create growth and prosperity in this country is to unleash the entrepreneurial innovation of our private businesses.

Alison Thewliss (Glasgow Central) (SNP): A happy Diwali to the Chancellor and all who are celebrating. Hospitality and tourism businesses face a tough winter, with rising fuel, staffing and supply costs. While the Scottish Government, to their credit, have brought in 100% rates relief, the Chancellor's proposals of a few pence off a pint are small comfort in comparison. A greater help would be maintaining the 12.5% value added tax rate right through next year, not putting it

back up to 20% in the spring. Will he bring forward proposals to do that and to support our tourism and hospitality businesses in the Finance Bill?

Rishi Sunak: The reduced rate of VAT was put in place to support the hospitality industry during coronavirus. It extends all the way to next spring; it does not step up until next March, as the hon. Lady pointed out. As she also pointed out, the Government are putting in place business rates support to help businesses in that industry—as I said previously, up to £110,000 for each business next year through a 50% discount on their business rates, with Barnett consequentials flowing to Scotland as a result.

Jonathan Gullis (Stoke-on-Trent North) (Con): Brewers have gone through a really challenging time throughout the pandemic, so the Chancellor's announcement of a reduction in the draft beer duty rate was extremely welcome. Keith and Dave Bott, owners of Titanic Brewery, want to pass on their thanks to the Chancellor directly and hope that he can come and enjoy the Bulls Head in Burslem to celebrate this fantastic achievement.

Rishi Sunak: I thank my hon. Friend for the kind invitation, which he also sent me by phone. I look forward to accepting it soon and to celebrating Stoke's success in not one, not two but three levelling-up fund bids.

Supply Chain Issues

2. **Nick Smith** (Blaenau Gwent) (Lab): What recent fiscal steps he has taken to help resolve supply chain issues. [903978]

The Exchequer Secretary to the Treasury (Helen Whately): Current stresses on supply chains are a consequence of global factors; as economies around the world recover, demand is outstripping supply. Where it makes sense, we are taking action to support UK supply chains, such as increasing the supply of lorry drivers to help the haulage sector meet demand for deliveries.

Nick Smith: Last week's National Audit Office report on supply chain finance highlighted that huge contracts involving Greensill Capital, signed off by the Treasury, provided no benefits to the NHS. Does the Minister accept the NAO report, and will she ensure that in the future, contracts are properly awarded to avoid this kind of insidious lobbying?

Helen Whately: I am sure that the Government will be responding to the NAO report in due course, but I can assure the hon. Member that the Treasury works very hard with the Department of Health and Social Care to make sure that funding for the NHS, which we are increasing substantially, goes to good use and improves care for patients.

Bridget Phillipson (Houghton and Sunderland South) (Lab): Mr Speaker,

"energy price rises...increased evidence of supply bottlenecks...shortages in key occupations".

Those are not my words but those of the Office for Budget Responsibility, which has issued a clear warning that the Government's supply chain chaos will weigh on the recovery beyond its current forecast. Can the Minister help businesses and families prepare by explaining how much this chaos will cost the country this year?

Helen Whately: I thank the hon. Member for her question. I do not agree with the picture that she paints. As I said earlier, there are global factors affecting challenges to the supply chain. We are providing support where it is appropriate. Specifically on energy costs, customers are already supported by the energy price cap, and we are providing £500 million extra help to households that need it during this winter.

Bridget Phillipson: The run-up to the festive period is a busy and crucial time for many businesses. They simply cannot afford delays in getting goods to warehouses from our ports, yet that is exactly what the logistics industry is warning that the shortage of heavy goods vehicle drivers is causing. Can the Minister guarantee that no presents will be missing from under the tree this Christmas because of her Government's complete failure to plan ahead?

Helen Whately: We are indeed taking steps to support the haulage sector, where there is a long-running situation with vacancies for HGV drivers. The action we have taken includes making available 5,000 temporary visas for the short term, increasing the number of tests available so that there is greater capacity for new drivers to take tests, changing cabotage restrictions, and funding improved facilities for drivers. In the longer term, we need to see both better pay and better conditions for lorry drivers.

Economic Inequality

3. **Liz Twist** (Blaydon) (Lab): What recent steps he has taken to help reduce economic inequality. [903979]

The Economic Secretary to the Treasury (John Glen): Distributional analysis published at the Budget and spending review last week shows that in 2024-25, tax, welfare and spending decisions made since the spending round two years ago will have benefited the poorest households most as a percentage of income. This Government believe that work is the best route out of poverty. That is why the Government are investing £6 billion in labour market support over the next three years.

Liz Twist: Analysis of the Chancellor's Budget and tax and spending plans for the next six years shows that they will cost women an additional £48 billion over that period. That is a staggering amount of money to be taken from women, and it is in contrast to the planned tax cuts for banks. Is that why the Government have failed to produce an equality impact assessment for this Budget, as they are required to—because the Chancellor knows that his tax choices are totally unfair?

John Glen: The hon. Lady must have missed a number of measures announced by the Chancellor in the Budget last week in which significant investment was made to support families through the household recovery fund and support for women in particular to get back into the labour market, alongside a whole range of other interventions.

Saqib Bhatti (Meriden) (Con): One issue concerning me at the moment is the lack of access to cash in the north of my constituency, which suffers from significant degrees of inequality. I was pleased to be at the opening of Kingshurst post office, which will restore some cash

services, but the issue remains a problem as retail banks reduce their estate. Does my hon. Friend agree that shared banking hubs are a good way forward? Will he highlight to the House what work is being done to increase access to cash?

John Glen: Banking hubs will absolutely be a part of the solution, alongside a whole range of other interventions. The Government have committed to legislate on this matter, but in the meantime, I am very hopeful that industry will come forward with meaningful proposals for a range of options to deal with the declining use of cash and ensure access is available everywhere.

Tim Farron (Westmorland and Lonsdale) (LD): The colossal economic inequality facing rural communities is something that I hope the Government take seriously. Is the Minister aware of the collapse of local housing in communities such as mine—and indeed in the Chancellor's next-door constituency—into the second-home and holiday-let markets? Following the Welsh Assembly Government's example, will the Minister look at doubling council tax on second-home properties, so that communities such as mine do not lose their local populations and become riddled with ghost towns?

John Glen: The Government are looking at tightening up the rules around second homes and council tax. We would be very happy to engage with the hon. Gentleman on the matter.

NHS Trusts: Capital Spending

4. **James Wild** (North West Norfolk) (Con): What steps he is taking to increase funding for capital investment in the NHS. [903981]

14. **Lucy Allan** (Telford) (Con): What steps his Department is taking with the Department of Health and Social Care to help ensure scrutiny of NHS trusts' capital spending. [903993]

The Chief Secretary to the Treasury (Mr Simon Clarke): It has just been announced, through the spending review, that the NHS will receive over £12 billion of capital funding for investment in and maintenance of the NHS estate; £5.9 billion for diagnostics, technology and elective recovery; £4.2 billion for at least 70 hospital upgrades and 40 new hospitals; and funding to eradicate mental health dormitories. That is on top of £500 million of additional capital funding given for the second half of this year to help tackle the elective backlog. It means that NHS capital budgets will have increased by over 8% year on year above inflation since the start of the Parliament.

James Wild: I welcome the funding for the new hospitals programme, and highlight to the Minister that the Queen Elizabeth Hospital in King's Lynn, with 200 props holding up its structurally deficient roof, has a compelling case to be one of the new schemes. Given the inevitable need to rebuild the Queen Elizabeth Hospital, does my right hon. Friend agree that it is far better to have a properly funded new hospital using modern methods of construction, rather than its being an unplanned cost, with emergency funding constantly being needed to prop up its failing building?

Mr Clarke: I welcome my hon. Friend's clear and obvious passion for improving the lives of his constituents. As well as committing £3.7 billion to make progress on the 40 hospitals named last year, the Government have committed to fund a further eight new hospitals by 2030. The process for selecting those eight is being led by the Department of Health and Social Care and will be based on a range of criteria, including clinical need and deliverability. I encourage my hon. Friend to engage in that process, but I am happy to have any further discussions that would be useful.

Lucy Allan: I thank the excellent Front-Bench team for a brilliant Budget which benefited every member of my constituency. I know the Treasury team cares passionately about delivering value for taxpayers. When it comes to significant capital spend for NHS projects, such as the Shropshire plan to build a state of the art critical care unit on the Welsh border, where costs have escalated from £312 million to £560 million, will my right hon. Friend say who is responsible for ensuring value for money and how they are held to account? Can he also assure me that no more cash will be allocated to that project until a ringfenced sum is allocated for accident and emergency care in Telford?

Mr Clarke: I thank my hon. Friend for her kind words about the Budget. I agree: it was a major fiscal event, one which puts the country on a strong path for continued growth. She is absolutely right to highlight the importance of delivering value for money. That is certainly something I take very seriously. It is, obviously, a shared responsibility across Government. In terms of the specific concerns she raises about that case, I urge her to speak to colleagues at the Department of Health and Social Care about the right hospital configuration for Shropshire. Again, I am always happy to have any conversations that are useful.

Andrew Gwynne (Denton and Reddish) (Lab): I am pleased that the Minister mentioned the opportunity to provide eight additional rebuilds of hospitals, because Stepping Hill Hospital has served the people of Stockport and surrounding areas well since it was built in 1905. However, all hospital buildings reach the end of their useful lives and, with a £40 million maintenance bill, that one certainly has. The council and the foundation trust have submitted ambitious plans to rebuild the hospital on a new site in the town centre, moving it to a more accessible location with state-of-the-art facilities and helping to regenerate the centre of Stockport. This is a win-win, so will the Minister look favourably on these plans?

Mr Clarke: The hon. Gentleman makes a passionate case for Stockport and the health facilities there. Obviously, we will always look at these proposals seriously, as will Departments including the Department of Health and Social Care. Although I cannot comment on this proposal specifically, not having had sight of it in detail, I am always happy to have conversations with him.

Levelling Up

6. **John Lamont** (Berwickshire, Roxburgh and Selkirk) (Con): What progress his Department has made in levelling up all regions of the UK. [903983]

13. **Henry Smith** (Crawley) (Con): What progress his Department has made in levelling up all regions of the UK. [903992]

20. **Christian Wakeford** (Bury South) (Con): What progress his Department has made in levelling up all regions of the UK. [903999]

The Exchequer Secretary to the Treasury (Helen Whately): Levelling up is this Government's defining mission; it is a golden thread running through this Budget and spending review. We are creating the right conditions for businesses to grow and giving people the right skills to succeed. We believe that the place where someone grows up should never limit their prospects.

John Lamont: This Government are rightly committed to levelling up all parts of the United Kingdom, including Scotland. Improving transport links by extending the Borders railway in my constituency from Tweedbank to Hawick, Newcastleton and on to Carlisle would be a very good way of improving the economic opportunities for people living in those communities. Will the Minister confirm that the UK Government support the extension of the Borders railway as part of the levelling-up agenda?

Helen Whately: I commend my hon. Friend for his forthright campaign for the extension of the Borders railway. I reassure him that the Department for Transport and Transport Scotland are discussing the options to extend the railway, and, as I think he knows, the £350 million Borderlands inclusive growth deal includes up to £5 million to assess feasibility.

Henry Smith: My constituency contains Gatwick airport and, by many measures, has been one of the most negatively affected by the covid-19 pandemic. Will my hon. Friend say how levelling up will support my constituents to recover from the pandemic?

Helen Whately: I know my hon. Friend's Crawley constituency well and I recognise the importance of aviation to livelihoods there. I am sure that he will welcome the extension of the airport and ground operations support scheme that the Chancellor announced to help airports such as Gatwick to recover from covid. We have also provided £180 million in covid loan schemes to support businesses in Crawley and, as he knows, Crawley has already received £21 million through the towns fund.

Christian Wakeford: First, may I put on record my thanks to the Chancellor for announcing that Radcliffe will receive £20 million from the levelling-up fund to regenerate the town centre, with new leisure facilities and a space for adult learning and new business? Following that extra funding and the previously announced new high school for Radcliffe, does the Minister agree that the Government are committed to creating new opportunities for young people so that they have the best chance to get on in life and fulfil their potential?

Helen Whately: I congratulate my hon. Friend, because his constituency is indeed receiving £20 million from the levelling-up fund to deliver a new civic hub in Radcliffe, which will improve access to adult education while freeing up vital space for a new secondary school. As I

am sure he saw in the Budget and spending review last week, we are fully committed to providing people with the skills that they need to succeed in life.

Richard Burgon (Leeds East) (Lab): My constituency is officially one of the most economically deprived constituencies in the country. If the rhetoric of levelling up is going to be a reality, the bid from Leeds City Council to upgrade and redevelop Fearnville sports centre to turn it into Fearnville wellbeing centre is exactly the kind of bid that should be agreed. Local people were therefore shocked when, the day after the Budget, the leader of Leeds City Council received a letter from the Government turning down the bid. The Chancellor is sitting on the Front Bench; will he step forward now and agree to meet me, the leader of Leeds City Council, James Lewis, and a delegation of local residents with a view to approving the council's bid for the upgrade of Fearnville sports centre?

Helen Whately: I thank the hon. Member for his question, which gives me the opportunity to remind him that his area is receiving hundreds of millions of pounds of investment in transport infrastructure. We look forward to receiving further bids for future rounds of the levelling-up fund, for instance. We are delighted to invest in constituencies such as his.

Alison McGovern (Wirral South) (Lab): The Exchequer Secretary says that levelling up is the defining mission of this Government, yet if we look at the spending review priority outcomes and metrics, we can see that across the Department for Business, Energy and Industrial Strategy, the Department for Levelling Up, Housing and Communities and the Treasury, there is just one metric on which to judge the Government:

"Economic performance of all functional economic areas relative to their trend growth rates".

That is all that they are being measured on, so will she be specific? By how much does she expect to close the economic gap by the end of this Parliament?

Helen Whately: I thank the hon. Member for her interest in our objective to level up across the whole United Kingdom. As she repeated, it is the defining mission of this Government; as she can see, it is the golden thread running through the spending review and the Budget, with steps taken and investment made across Government to support levelling up across all our constituencies.

Dan Jarvis (Barnsley Central) (Lab): The English metro Mayors submitted levelling-up fund bids—I declare an interest—but only one was successful. The South Yorkshire bid was well crafted and focused on improvements to our bus services that would have supported the levelling up and net zero agendas. Will the bids be looked at again as part of a second round?

Helen Whately: South Yorkshire will receive a share of the £5.7 billion for transport for the region. Overall, as the hon. Member will know and as he will have heard when he attended our debate yesterday afternoon, support for levelling up and investment have been received by constituencies all around the country and represented by hon. Members across the House. There will be further rounds of levelling-up funds to put in for.

Young People: High-skilled Jobs

7. **Jack Brereton** (Stoke-on-Trent South) (Con): What progress his Department has made on supporting young people into high-skilled jobs. [903984]

9. **Sir David Evennett** (Bexleyheath and Crayford) (Con): What progress his Department has made on supporting young people into high-skilled jobs. [903986]

The Chief Secretary to the Treasury (Mr Simon Clarke): Through our plan for jobs, nearly 95,000 young people so far have started a kickstart job; we have extended that scheme to March 2022. More than 100,000 apprentices, of whom 75% were under 25 years old, have been hired under our new incentive payments. More than 17,000 young people have started a traineeship, and we have provided funding for 24,000 traineeships a year at the spending review.

Jack Brereton: Many of the manufacturers that I have visited recently in my constituency, including Don-Bur and IAE, have told me about the challenges that they face when recruiting for engineering roles. Will my right hon. Friend update the House on the Government's work to encourage more young people into those highly skilled roles and attract more apprenticeships to Stoke-on-Trent?

Mr Clarke: My hon. Friend is always a fantastic champion for Stoke and the wider community. There are 145 employer-designed apprenticeship standards that relate to engineering and manufacturing roles. At the spending review, we announced that funding for apprenticeships will increase to £2.7 billion by 2024-25. We are also continuing to improve the system for employers. That includes an enhanced recruitment service for small and medium-sized enterprises, supporting the use of flexible training models, and a new return-on-investment tool so that employers can see the benefits that apprentices create in their business.

Sir David Evennett: We all welcome the fact that nearly 100,000 young people across the country have already started a job through the kickstart scheme, including 20,000 in London. Does my right hon. Friend agree that by extending the scheme until March next year, we are giving more young people the opportunity to develop the skills, confidence and experience that they need to get into high-skilled, high-wage and long-term sustainable jobs?

Mr Clarke: My right hon. Friend is absolutely right. Kickstart is providing valuable jobs and work experience to thousands of young people. As of last week, nearly 95,000 young people had started a kickstart job, compared with 56,000 young people at the equivalent point for the last Labour Government's future jobs fund. That shows that it is a very successful programme. With the current pace of starts, we are confident that earlier this month, 100,000 young people will have started a kickstart job.

Daniel Zeichner (Cambridge) (Lab): Education is central to highly skilled jobs. This week, a report by the all-party parliamentary university group, which I chair, showed that young people from the most disadvantaged backgrounds most understand the value of a university

education. Will the Chief Secretary celebrate the work of universities across the country and perhaps suggest to some of his colleagues that they stop devaluing courses by describing them as of low value?

Mr Clarke: The hon. Gentleman is right to champion the university sector. We in this country are fortunate in having such a fantastic set of universities, and it is important for young people to have the opportunity to enrol on courses that will meaningfully improve their life chances and career prospects. However, it is also important to balance a strong offer for the university sector with an equally strong vocational offer, and we are keen to strike that balance through the new T-levels and our investment in skills—which was a defining theme of this Budget and spending review—so that whatever young people decide to do, they have a strong and credible route to employment and success.

Alan Brown (Kilmarnock and Loudoun) (SNP): Scotland leads the world in the development of wave and tidal technologies. The expansion of that sector could create fantastic chances for more young people to secure more highly skilled jobs, and could set them up for possible worldwide opportunities. However, if the sector is to expand, it will need a ring-fenced pot of money in the forthcoming contracts for difference auction. It is believed that the Treasury blocked that concept. Will the Chief Secretary meet me to discuss how changes could be made that would allow the sector to bid and be successful in scaling itself up?

Mr Clarke: The hon. Gentleman has referred to the contracts for difference mechanism, which has been hugely successful in helping to drive the improved economics of technologies including offshore wind. I think that we as a country should be very proud of that, especially in the week of COP.

There is no doubt that there are exciting opportunities for young people. I think that the Department with which the hon. Gentleman would do best to engage on that is the Department for Business, Energy and Industrial Strategy, but I am always happy to have any conversations that would be useful in this regard.

Net Zero Emissions

8. **Matthew Pennycook** (Greenwich and Woolwich) (Lab): What fiscal steps he is taking to contribute towards achieving the Government's net zero emissions target. [903985]

10. **Mohammad Yasin** (Bedford) (Lab): What fiscal steps he is taking to contribute towards achieving the Government's net zero emissions target. [903987]

The Financial Secretary to the Treasury (Lucy Frazer): As 120 world leaders gather in Glasgow today, the hon. Member for Greenwich and Woolwich (Matthew Pennycook) asks a very pertinent question. Our net zero strategy outlines measures to enable us to make the transition to a green and sustainable future. As for fiscal measures, the Budget and spending review commit us to £30 billion of public investment towards net zero.

Matthew Pennycook: There is an obvious and pressing need for all fiscal announcements to be fully aligned with our country's net zero target. To that end, will the

Minister commit herself to at least the publication of the estimated emissions impact of decisions in future Budgets and spending reviews?

Lucy Frazer: The hon. Member will know that in our Budget we set out a number of measures to enable us to make the transition to a net zero world. We have made announcements relating to transport and warmer, greener buildings as well as energy and industry, and of course the Treasury always considers the impact in relation to net zero targets.

Mohammad Yasin: The Chancellor claims to want to tackle climate change and improve air quality through measures including the decarbonising of transport. If he is serious, this week of COP26 presents him with a great opportunity to commit himself to the electrification of the East West Rail line from day one to avoid the need for diesel locomotives and the future costs of retrofitting. Will he make that commitment today?

Lucy Frazer: The hon. Gentleman has raised the important issues of electrification and the importance of making our transport green. As he will have seen, the Budget provided research and development funding to commercialise low and zero emissions technologies. I would be happy to talk to him about the local issue he raised.

Fay Jones (Brecon and Radnorshire) (Con): I thank the Chancellor and the Treasury team for the significant levelling-up funds awarded to my constituency in the Budget last week. Hydrogen will be key to net zero, and one project that will be able to benefit from that investment is Riversimple, a hydrogen fuel cell car manufacturer in Llandrindod Wells. So that we can reach our net zero targets as early as possible, may I urge the Minister to visit Llandod, meet representatives of Riversimple, learn about what they do, and above all give us the chance to say thank you in person?

Lucy Frazer: I am very pleased that my hon. Friend's constituency has benefited and is taking part in the progress towards net zero. I should be happy to visit her there.

Abena Oppong-Asare (Erith and Thamesmead) (Lab): In his Budget statement last week, the Chancellor did not use the word "climate" once. On the biggest issue of our time, he had nothing to say.

As well as deciding to cut domestic air passenger duty, which will lead to 400,000 more domestic flights a year, the Chancellor failed to invest in public transport. He is subsidising those who can already afford to take domestic flights, while putting up taxes on ordinary people. How on earth does he think that this sends the right message as the COP26 summit begins? Is not the reality that he is flying in completely the wrong direction when it comes to tackling climate change?

Lucy Frazer: I am sure the hon. Lady will have seen the net zero strategy, which was published the week before the Budget. I am sure she will also know about the significant progress that the Chancellor has made on bringing other countries together to increase the international effort on climate finance. Yesterday, we set out our commitment to increase our international climate finance by £1 billion by 2025, on top of the £11 billion that we have already announced. The Chancellor, together

with other Finance Ministers, is making sure that we help to reduce to net zero emissions through a number of measures. I am very happy to—

Mr Speaker: Order. I call Alison Thewliss.

Alison Thewliss (Glasgow Central) (SNP): COP26 is under way in my constituency, and the Scottish Government have set an ambitious target to reach net zero by 2045. In contrast, the Minister has completely failed to justify the cut to air passenger duty on internal flights while allowing the already eye-watering price of train tickets to rise again at the turn of the year. This is no pro-Union policy, as the Government like to pretend, because 62% of Scots think that cutting APD is entirely the wrong priority. So, in this week of COP, will the Minister do her bit for the planet and scrap this climate-damaging policy once and for all?

Lucy Frazer: I am grateful to have this opportunity to address the issue of air passenger duty. The hon. Member will know that, as well as cutting the duty on domestic flights, we have increased taxation on long-haul flights. She will also know that domestic flights are contributing less than 1% of the UK's carbon emissions.

Public Finances

11. Mr Gagan Mohindra (South West Hertfordshire) (Con): What steps his Department is taking to manage the public finances effectively. [903988]

The Chancellor of the Exchequer (Rishi Sunak): The fiscal rules announced at Budget will ensure that the public finances remain on a sustainable path and support a strong economic recovery. The Government will borrow only to invest in future growth, so that future generations are not unfairly burdened, and I am pleased to say that the Office for Budget Responsibility's analysis shows that the Government's fiscal plan is working.

Mr Mohindra: I welcome the new fiscal rules set out by my right hon. Friend in his Budget last week, which will mean that the Government borrow only to invest and that they get the debt falling again by 2024. Does he agree that, unlike the Labour party, which has no plan to deliver responsible public finances, these rules show how it is only the Conservatives who can be trusted to manage our public finances responsibly, avoiding higher interest rates and even higher taxes in the future?

Rishi Sunak: My hon. Friend is absolutely right. The best foundation for our success as a country is a strong economy and responsible public finances. In contrast to the Labour party, which comes out with unfunded, reckless promises that would lead to our debt rising uncontrollably, it is this Government, and only this Government, who can be trusted to manage the nation's economy responsibly.

Sammy Wilson (East Antrim) (DUP): Given the commitments that the Prime Minister is making at the climate circus in Glasgow this week, how can the Chancellor possibly say that the public finances will be managed effectively when the huge costs of net zero are not even published by the Treasury, let alone known by the public? We are already seeing taxes increasing to pay for the huge infrastructure changes that reaching net zero is going to entail.

Rishi Sunak: I very much appreciate the right hon. Gentleman's concern about the cost of transitioning to net zero. The Government are also mindful of those costs, and the net zero strategy, which my right hon. Friend the Chief Secretary to the Treasury mentioned earlier, sets out a comprehensive approach to transitioning, backed up by £30 billion of investment. Indeed, as a result of the spending review and the Budget, the Northern Ireland Executive will receive on average about £1.5 billion a year in Barnett consequential to help to fund priorities as required.

Plan for Jobs

12. **Laura Farris** (Newbury) (Con): What assessment he has made of the efficacy of the Plan For Jobs in supporting people into work. [903989]

15. **Stephen Crabb** (Preseli Pembrokeshire) (Con): What recent assessment he has made of the effectiveness of the Plan For Jobs in supporting people into work. [903994]

The Economic Secretary to the Treasury (John Glen): Some 1.6 million people have moved into work having received support from work coaches, and hundreds of thousands of jobseekers have been supported by our other Plan for Jobs programmes, such as kickstart. It is clear that this plan is working; unemployment is now expected to peak at less than half of what was initially predicted.

Laura Farris: Unemployment in west Berkshire has fallen in every month since April, in no small part thanks to the apprenticeship levy and the kickstart scheme. However, among the over-55s who lost their job in the pandemic the picture is more mixed. Can my hon. Friend set out what the next stage of the Plan for Jobs will do to target that group, particularly given their risk of long-term unemployment?

John Glen: Yes, I can. My hon. Friend is right; unemployment is at 3.5% in her constituency, as against the 5% average. On people aged 50 to 64 who unfortunately lose their job and find a return to work less likely, this spending review announced an enhanced 50-plus offer worth more than £20 million to ensure that that cohort of the workforce receive that support to remain in work and benefit from living those fuller working lives. That is in addition to the other interventions across the whole of the working age group.

Stephen Crabb: Right now, in this country, about 1 million children are growing up in long-term workless households. Does my hon. Friend agree that the measures the Chancellor took in the Budget last week to boost the national minimum wage and the work allowance, and to lower the universal credit withdrawal rate when people move into work, mean that we have the best opportunity in more than a generation to really bear down on long-term unemployment and improve the life chances of children growing up in homes where there is no role model of someone going out to work every day?

John Glen: I agree entirely with my right hon. Friend, who has been a champion in this area, throughout his experience in government and in his work now as Chair of the Select Committee on Welsh Affairs. In addition to what he has set out, we responded to the call to raise

the national living wage. It may interest him to know that the April 2022 increase will mean that a full-time worker's annual salary will have increased by more than £5,000 since the national living wage was introduced, when he was in government, in April 2016.

Karin Smyth (Bristol South) (Lab): I recently visited the newly opened jobcentre in Knowle to support people back to work, and I have previously been chair of the all-party group on apprenticeships. I cannot fathom why the Government are abolishing BTECs, which are a crucial bridge for young people in Bristol South. Has the Treasury done an assessment of abolishing BTECs, and will the Government reconsider?

John Glen: The hon. Lady will know of the Government's investment in T-levels and the additional investment last week in apprenticeships, as well as a number of other interventions that the Chancellor has worked tirelessly with employers' organisations and trade unions on to develop the workforce and opportunities over the past 18 months.

Wages: Lowest-income Households

16. **David Johnston** (Wantage) (Con): What steps his Department is taking to increase wages and support the lowest-income households. [903995]

The Financial Secretary to the Treasury (Lucy Frazer): We are increasing the national living wage to £9.50 an hour from April 2022. We are also cutting the universal credit taper rate from 63p to 55p. Those measures will increase the incomes of millions of people and support the lowest-income households.

David Johnston: I thank my right hon. and learned Friend for that statement. I strongly welcome the increase in the national living wage to £9.50 and the cut to the UC taper rate. Those are strong work incentives, which will help people to keep more of their money. However, given that not everybody will read the Budget, may I ask what her strategy is to make sure that those who can benefit from these changes will know that they have taken place?

Lucy Frazer: I thank my hon. Friend for his support. He will agree that the best way to support people is by supporting them into work and helping them to progress once they are in work. He makes an important point about communications. The Government run an annual public communications campaign to inform workers and employers of the change to the minimum wage rates. Her Majesty's Revenue and Customs also has a dedicated team who actively provide information to individuals and employers on minimum wages, and the UC changes will also be reflected in the claimants' statements once they are in effect.

Peter Grant (Glenrothes) (SNP): All those announcements are, of course, welcome for low-earning households in which somebody has a job, but none of them will deliver a single penny into the pockets of the very lowest-income households in which nobody is able to get a job. They are being hit by a £1,000 a year cut in universal credit. What is there in the Budget that will reinstate that £1,000 cut for the very lowest-income households on these islands?

Lucy Frazer: We want to encourage as many people as possible into jobs. The Chancellor has put forward a plan for jobs, with a number of work programmes to ensure that we get both young people and the over-50s into work. Crucially, through the restart scheme we will get people off universal credit and into jobs. We also recognise that some people cannot work, which is why six weeks ago the Chancellor announced £500 million to help those who need our support, to be distributed through local authorities.

Topical Questions

T1. [903967] **Duncan Baker** (North Norfolk) (Con): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Rishi Sunak): Last week's Budget delivered a stronger economy for the British people, with stronger public finances; support for business; stronger public services; investment in infrastructure, innovation and skills to drive future growth; and a significant tax cut for the lowest-paid, because this will always be a Government who support and reward work.

Duncan Baker: My constituent Peter Phillips fell victim to the loan charge in 2019 and settled before 30 September 2020. HMRC advised him, like many others, that that was the right thing to do. In effect, those who settled before the Morse review did not get the benefit of the changes that were implemented: my constituent paid more than someone who disclosed nothing to HMRC. Does my right hon. Friend think that was in the spirit of the Morse review? Has HMRC got it wrong?

Rishi Sunak: It is obviously difficult for me to comment on the case of a particular individual. The previous Chancellor, my right hon. Friend the Member for Bromsgrove (Sajid Javid), asked Lord Morse to conduct an independent review and the Government accepted and implemented the vast majority of its recommendations. People who settled early had the benefit of certainty from their settlement, but my hon. Friend should write to the Financial Secretary to the Treasury and we will ensure that we look at that case, as he requests.

Rachel Reeves (Leeds West) (Lab): According to the Office for Budget Responsibility, the Government's supply chain chaos, woefully inadequate post-Brexit planning and a lack of HGV drivers have contributed to higher inflation. The cost of the weekly shop is already going up and up, as the Chancellor will have heard from shoppers in Bury last week. Does he have any idea of how much the average weekly supermarket shop is expected to increase in the next year for a typical family?

Rishi Sunak: We are cognisant of and aware that there is price inflation; indeed, last week's Budget addressed that and explained to the British people some of the global factors that are behind the rise in prices and are not unique to this country. As I said then, where this Government can act, we will. Whether it is the interventions for HGV drivers that my hon. Friend the Exchequer Secretary to the Treasury set out, the £0.5 billion household support fund or, indeed, the freezing of fuel duty, this Government are doing what they can to help with the cost of living.

Rachel Reeves: Let me help the Chancellor with the answer to that question. The typical family shop is likely to go up by £180 more next year. It is not just food prices that are rising: gas and electricity bills are already up by £139 and they are only going to go up more. The Chancellor had the opportunity in the Budget to help people with their gas and electricity bills by reducing VAT to 0% through the winter months—something that Labour has called for and that the Prime Minister backed when he was campaigning to leave the European Union. Who should the public blame for VAT on heating bills not being cut: the Prime Minister, for not keeping his word, or the Chancellor, for choosing to cut taxes for bankers instead?

Rishi Sunak: With regard to a VAT cut for fuel, perhaps I should point out to the hon. Lady some of the remarks from independent commentators about what that would do. The Institute for Fiscal Studies said that the benefit would accrue "to higher-income households." the Resolution Foundation said a VAT cut

"would not be targeted and would be quite expensive".

Tax Research UK said:

"This cut will not help the poorest much...this plan is a subsidy to the best-off, not the least well off."

Instead, we have provided £0.5 billion, targeted at those who need our help. The hon. Lady mentioned £108; the household support fund will be able to provide £150 to between 2 million and 3 million of the most vulnerable families in our country. Indeed, the national living wage is going up next year, which will ensure a £1,000 increase for someone who works full time on the national living wage, and because of the cut to the universal credit taper a single mother with two kids who works full time and rents will be £1,200 better off.

T2. [903968] **Mark Menzies** (Fylde) (Con): I thank the Chancellor for his commitment of £75 million to preserve civil nuclear fuel manufacturing in the UK. As my right hon. Friend will know, Springfields site in Fylde is the only civil nuclear manufacturing site in the UK, and efforts are ongoing to diversify projects undertaken on the site to safeguard its future. Will he agree to look into proposals to support manufacturing on the site and help beat off international competition to bring those jobs and skills to Springfields?

Rishi Sunak: First, may I put on record my thanks to my hon. Friend, who raised this issue with me some months ago in the run-up to the spending review? I hope that he and his communities are pleased with the funding that was allocated, thanks to his and other interventions. I am of course prepared to work with him and the Secretary of State for Business, Energy and Industrial Strategy to consider all relevant proposals and assess the right options for the taxpayer in this country.

T4. [903970] **Kim Johnson** (Liverpool, Riverside) (Lab): Hospitality is one of the major sectors in Liverpool, Riverside, representing up to 20% of the economy and accounting for 50,000 jobs and 4,000 businesses this time last year, but, sadly, many have been forced to close due to covid. While the freeze on VAT on hospitality until April next year is welcome, the 50% hike to bring it up to 20% in six months' time is causing a real panic to small businesses in my constituency. Will the Chancellor

acknowledge that the planned hike to VAT in hospitality poses a significant risk to our economic recovery and that what we need now are measures that shore up our recovery rather than slow it down?

Rishi Sunak: We did have a measure in last week's Budget to support the hospitality sector with its recovery, and that is the £1.7 billion cut to business rates next year. That represents the largest single-year cut to business rates in more than 30 years outside of the coronavirus. It provides a 50% discount to hospitality businesses, which I know are important to our local communities. I am sad that the hon. Member did not raise the not one but two levelling-up fund bids that Liverpool enjoyed last week, which I know will also help to regenerate parts of the city and provide improved transport connections to benefit local businesses.

T3. [903969] **Robert Largan** (High Peak) (Con): Last week's Budget included lots of positive news for the High Peak, such as the tax cut for the lowest paid and the 50% business rate relief for the high street. However, plenty of other towns across the north were celebrating additional millions of pounds of investment through the levelling-up fund. Unfortunately, High Peak was not one of those areas because High Peak Labour council failed to submit a bid on time. It has now agreed to submit a bid and I am keen to work on a cross-party basis with it, but can the Chancellor assure my constituents that there will be a second round and that High Peak will still be treated as a top priority for levelling up?

Rishi Sunak: I am happy to provide my hon. Friend with that reassurance and I hope that his council engages constructively with him, as so many others have and have seen the benefits of that in last week's announcements. We will open round 2 in due course and it will most likely launch no later than the spring. I can tell him also that we have no plans to change the current way that we assess the priority categorisations, so High Peak should remain as it was.

Sam Tarry (Ilford South) (Lab): Does the Chancellor agree with the Conservative party donor, Mohamed Amersi, who once claimed that the Tories were operating an access capitalism scheme for their major donors, and described corruption as a "heinous crime", but who was later seen to have been part of a £162 million bribe to the daughter of Islam Karimov, the awful former president of Uzbekistan? If so, can he look at this and bring forward the response to the Pandora papers, particularly the Registration of Overseas Entities Bill?

The Economic Secretary to the Treasury (John Glen): The Government are committed to making the UK a hostile place for illicit finance and economic crime and ensuring that all donations to political parties comply with the legislation that the Labour party enacted in Government. We have taken tough action through our No Safe Havens strategy to ensure that the correct UK tax is paid. Our landmark 2019 economic crime plan builds on that, and we will continue to work on these matters.

T5. [903971] **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): As my right hon. Friend may know, this week is Evidence Week. Will he therefore let

the House know whether, in his opinion, the evidence still indicates that the proposed lower Thames crossing represents value for money?

Rishi Sunak: I know that my hon. Friend has paid close attention to this issue, which obviously has a particular impact on his constituency. He will know that the current Dartford crossing is one of the most congested pinch points in the entire strategic road network, which is why the Thames crossing development is part of the Department for Transport's plans. We also recognise that it needs to be brought about in a way that maximises the benefits and mitigates the cost to local communities and businesses. The commitment does include an obligation to create tens of thousands of new jobs. I understand that National Highways has recently launched a consultation, in which I know my hon. Friend and his communities will be engaged.

Richard Thomson (Gordon) (SNP): In reforming domestic air passenger duty, the Chancellor could have done something really clever; he could have incentivised the use of low-carbon forms of transport domestically, and in areas where those do not exist, mitigated the impact with a best alternative. Instead, he has done something that is making travel relatively more expensive for those low-carbon alternatives. How on earth, in the week of COP26, is this contributing to the Government's net zero efforts?

Rishi Sunak: As has been pointed out about three times today, alongside the cut in domestic air passenger duty, we introduced a new ultra-long-haul band with a higher rate. The net effect on carbon emissions of those two things is at least a wash, and one independent forecaster said that it would actually reduce carbon emissions. That comes alongside significant investment of £180 million to incentivise sustainable aviation fuel, and billions more for electric transportation for consumers.

T6. [903972] **Andrew Selous** (South West Bedfordshire) (Con): With many thousands of new homes going up to the west of Leighton Buzzard and the north of Houghton Regis, will the Government ensure that there is a direct link between thousands of new homes and increased general practice capacity?

The Chief Secretary to the Treasury (Mr Simon Clarke): The Government are focused on delivering more homes where they are most urgently needed, but we need the right infrastructure in place to facilitate this. Many of the Government's core housing supply programmes, including an additional £1.5 billion announced at the spending review, focus on precisely that point. Recent reforms to the NHS capital regime, some of which have been legislated for through the current Health and Care Bill, will further improve the system, including through better integration between the NHS, local government and care providers.

Chris Elmore (Ogmore) (Lab): In an earlier answer, the Chancellor confirmed that the levelling-up fund round 2 bids would be sometime in the spring. Many Members across the House want to engage in the process, as does Bridgend County Borough Council, which covers the majority of my Ogmore seat. However, it is difficult to plan if the Treasury will not confirm the date of the

conclusion of the round 2 bidding process. May I press the Chancellor to tell us more than just spring next year, because spring does tend to be an awfully long time when the Treasury are making decisions?

Rishi Sunak: I am glad that there is widespread support for the levelling-up fund, and we are keen to work with all Members. I say spring because we want to ensure that we quickly learn the lessons from this round and incorporate them into future rounds. However, I assure the hon. Gentleman that our desire is to get on with this, because we want these projects to be delivered so that our communities can start to see the benefits as soon as possible.

T7. [903973] **Caroline Ansell** (Eastbourne) (Con): I thank my right hon. Friend the Chancellor for £19.8 million from the levelling-up fund that will put Eastbourne on the map and really bill it as the gateway town to the South Downs national park. I also thank him for the investment that sits behind the kickstart scheme, which has so far delivered hundreds of new opportunities in my town. I promote the scheme everywhere I go, as I travel from north to south and east to west. Will the Minister join me in encouraging local businesses to step up ahead of the 17 December deadline to provide these golden opportunities for young people in my home town?

The Financial Secretary to the Treasury (Lucy Frazer): I know that my hon. Friend will have campaigned hard for the funds that have come through. We will continue to support people across the House and in her constituency to level up.

Kerry McCarthy (Bristol East) (Lab): Rather than talk about competitive bids for funding, could we talk for a moment about mainstream council finances? We know that this Budget will significantly shift the burden to local authorities and require a significant rise in council tax, which people can ill afford. We also know that councils' finances have not fully recovered and they have not been fully compensated. What is the Chancellor doing to talk to local councils about the pressures that they are facing?

Rishi Sunak: I actually did engage with representatives from local authorities in the run-up to the spending review. Last week's spending review outlined an additional £1.6 billion a year of cash grant for local authorities, which will ensure that local government core spending power will rise at about 3% a year in real terms over the spending review period; that is historically high. It has been warmly welcomed by local councils up and down the country, and will ensure that council tax increases can be kept at more moderate levels.

T8. [903974] **Jo Gideon** (Stoke-on-Trent Central) (Con): I, too, thank my right hon. Friend for the £56 million for three innovative levelling-up bids in my home city of Stoke-on-Trent. We warmly welcome this as the biggest investment in Stoke-on-Trent for 50 years. However, investing in our social fabric and growing our local social infrastructure must be community-led to achieve the best results. Will he update this House on whether the shared prosperity fund will target grassroots community capacity-building investment in developing our social infrastructure rather than capital funding?

The Exchequer Secretary to the Treasury (Helen Whately):

I congratulate my hon. Friend and fellow Members representing Stoke-on-Trent on the £56 million their city was awarded in the first round of the levelling-up fund, winning not one but three bids to fund regeneration projects across the city, delivering new homes, community facilities, and office and hospitality space. She makes an important point about funding grassroots community capacity. I assure her that the UK shared prosperity fund, which is worth over £2.6 billion, will allocate funding across the UK. Further details of the fund will be set out later this year.

Dr Rupa Huq (Ealing Central and Acton) (Lab): The women-run Acton firm Fashionizer, which makes uniforms for hotels, diversified into mask manufacturing during the pandemic. The firm is now getting back on its feet, but the order book is just a third of what it was, so those working there ask the Chancellor if he could please extend the rate relief for the hospitality industry to those who supply hospitality, including food and laundry services, some of them exclusively. They have given me a few of their masks for you, Mr Speaker, for the Chancellor and for anyone who wants one. I think a few of the hon. Members on the back row of the Conservative Benches could do with them.

Rishi Sunak: I commend those at the hon. Lady's business for what they have done through the pandemic and beyond with the manufacture of masks. We have moved out of crisis phase now, so our interventions to support the economy are broader in scale, but I am confident that the measures we are taking to invest in infrastructure, innovation and skills will lead to economic growth and benefit her businesses, not just the one she mentioned.

T9. [903976] **Christian Wakeford** (Bury South) (Con): I commend the Chancellor for his announcement in the Budget introducing a simplified system of duty that taxes alcoholic drinks according to their strength. Although this change will not come into force until 2023, it represents a welcome improvement, geared toward promoting public health. Does he agree that the proposed changes to our alcohol duty system will encourage manufacturers to innovate and promote lower-strength drinks, which will help to reduce health harm associated with alcohol? Will he meet me to discuss alcohol harm?

Helen Whately: I sincerely agree with my hon. Friend and thank him for his support. We are overhauling the UK's outdated alcohol duty rules—the biggest simplification for 140 years—and taking a common-sense approach. Drinks will be taxed in accordance with their strength, encouraging responsible drinking, tackling the problems caused by cheap high-strength drinks, and supporting our pubs and our hospitality sector.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): The Chancellor promised the aviation sector a bespoke support package before breaking his word. Instead these businesses will have to make use of other support schemes, including time to pay. What does he say to those businesses now hit by tens or hundreds of thousands of pounds in interest charges by HMRC when the sector is quite clearly still very badly affected by the pandemic?

Rishi Sunak: Obviously it would not be right for me to comment on the individual circumstances of any business, but HMRC's time to pay service has supported tens of thousands of businesses through the crisis with flexible repayment periods. Similarly, the bounce back loan scheme introduced by my hon. Friend the Economic Secretary comes with a pay-as-you-go option to ensure that businesses can settle on a payment plan and stretch out repayment in a way that suits their cash flow.

Mrs Flick Drummond (Meon Valley) (Con): My pubs and brewers are pleased with the reduction in beer duty, but may we have clarification on keg size, as my small brewers ship their beer in different sizes, including 20-litre pins? May we also have an indication of when the changes to the small brewers relief will be announced, ideally removing the 2,000-hectolitre limit and the cliff-edge at the 5,000-hectolitre limit?

Helen Whately: We are delighted that we are introducing the draft relief to support the on trade for people purchasing drinks in pubs and hospitality venues. We will

consult on the details, including keg size. We will also bring forward the technical changes to small brewers relief, which my hon. Friend asks about.

Rachael Maskell (York Central) (Lab/Co-op): The pretence has to stop. The Budget was climate-illiterate, with just £7.8 billion of new money given to climate and nature mitigation to reach the 2024 target, when £62.9 billion is required. How will the Chancellor close that gap, or is the Prime Minister's performance at COP26 simply a façade?

Mr Clarke: The hon. Lady is not doing justice to what the Government have committed to. We have the £30 billion net zero strategy just the week before this fiscal event, and clearly we have had a number of announcements during COP already, including today's on forests. That is clear evidence of how this Government are moving to ensure we double down on our international commitments and show the rest of the world the way to deliver on net zero.

Points of Order

12.35 pm

Taiwo Owatemi (Coventry North West) (Lab): On a point of order, Mr Speaker, 15 days ago, I asked the Home Secretary an important question in oral questions concerning the long-running extradition case of the west midlands three, two of whom are my constituents. I asked her for information about the evidence used to justify their arrests. The Home Secretary claimed she did not hear my question and that she would instead answer separately, but, regrettably, that has not happened. No effort has been made by the Home Secretary to answer my question, and I have not received any correspondence about it. My parliamentary office has now contacted the Home Secretary's private office on numerous occasions, and we have not received any clear communication or answers in return. I see little point in the Home Secretary coming to this place to answer questions if she does not do just that—answer the questions we ask. With that in mind, is it in order for the Home Secretary to fail to answer a question in the Chamber like that and then fail to provide an answer to me? If it is not in order, what action can I take to get an answer from the Home Secretary? My constituents deserve a response.

Mr Speaker: I am absolutely appalled that we are still not getting the message across. Members of Parliament deserve answers. The Leader of the House and I are absolutely committed to ensuring that Members, rightly and deservedly, get their answers. I am also grateful to the hon. Member for giving me notice of her point of order.

If the Minister gave such an undertaking to respond, that should of course happen promptly without the hon. Member having to keep pressing the Home Office for an answer. I know that those on the Treasury Bench will be listening, and I expect them to pass on this point to the Home Secretary to ensure that an answer is given as early as possible. If necessary, the hon. Member can also consult the Table Office about the avenues that are open to her to pursue. Please keep me informed if that answer is not forthcoming.

I have to say—it needs to be heard loud and clear—that Members of Parliament on both sides rightly deserve answers to questions, especially as they are representing their constituents. We base this House on democracy, and part of that democratic process is that Ministers answer to Members.

Karl McCartney (Lincoln) (Con): On a point of order, Mr Speaker, I rise to represent the 649 MPs who, as the House was sitting last night, saw a report, perhaps with some consternation, on some notable websites—notably the Guido Fawkes website—that the House of Commons Commission had made changes to our working practices in this place with no reference to us. Rightly, Mr Speaker, you have done some great things over the past 18 months to keep this place going. I could make some points about the content of the announcement last night, and notably about Lord Ridley's excellent speech in the other place about the usefulness of masks, but I would say that you rightly castigated my right hon. Friend the Chancellor, who is no longer in his place, and some of his colleagues last week. Surely what is sauce for the goose should be sauce for the gander.

Mr Speaker: I am not quite sure about the last bit—who is the goose, who is the gander, and what it was about. I am pleased by how the hon. Member has approached the question. It is a bit better than your email earlier today, Mr McCartney, which was pretty offensive; we ought to think about how we address each other in emails. I certainly respect your views and the views of all Members.

We have to work together. We have come this far because the House pulled together, ensuring that we got through it. We are one of only eight legislatures, I think, across the world that have managed to keep open every day, because we have done the right thing. It is about us doing the right thing. I want to help and support you; I want to help and support all Members.

In fairness, this is about safety. We have had an increase in covid-19 across the House, which has been badly reflected recently in the rising numbers. The UK Health Security Agency has determined that the risk of transmission on the parliamentary estate is now greater. As a consequence, the parliamentary authorities have decided to take further action to ensure that case numbers do not continue to rise. These measures have been communicated to Members and staff and I do not wish to debate them in detail on the Floor of the House. The measures have been introduced with immediate effect and will be reviewed in two weeks.

I will say to Members that if we can get through these two weeks, I believe we will get through to next year, but these two weeks are crucial. Numbers of infections have been rising on both sides of the House and among staff. Unusually, the transmission has been on the estate, and that is why it is a greater worry than before. Please, let us pull together and not try to undermine the officials of the House, who have to do a job—a thankless task. They get the kicks when they should not. Aim them at me; that is quite right. The hon. Member for Lincoln is right to have addressed me with this question.

I will always put the health and safety of the House first, so please help me to keep the House open by trying to get through a very crucial two weeks. After that, we will be in a much safer place, and I think we will be in the right place. I have to say that the measures have not been stringent. They could have been even more stringent and they might have to be, so please let us pull and work together. In the end, I do not want to have another Christmas like the last one, and I want to protect all of us, so work with the staff and try to remember that they have a job to do along with us. The main basis is that I know that we can see it through. I appeal to the Whips of all parties to work together to try to make it safe.

I understand the frustration. From my point of view, there is nothing better than having a full Chamber and seeing the hon. Member for Lincoln back in this House. As much as he gives me grief, I like seeing him on the Benches. I still prefer him in the House than on television—that is even more scary—but seriously, I have to say, let us all work together and pull together.

Mr William Wragg (Hazel Grove) (Con): Further to that point of order, Mr Speaker. With reference to the announcements, I deprecate the announcement of things outside of this Chamber and have been known to criticise the Government for that, so it would be churlish of me not to be surprised by what appeared in the press

last night. You mentioned the UK Health Security Agency's advice. Are you aware of that agency giving any institution or venue in this country the same advice that it has given us? In terms of the parliamentary authorities quoted in the email sent to Members, may I ask when the Commission met to discuss it? I assume those authorities refer to the Commission, because the agenda and decisions come only from the 18th—

Mr Speaker: Order. I think I can help. As I said earlier, I will not go into further debate. I have the greatest respect, but I am certainly not going to be tested today.

Plastics (Wet Wipes)

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

12.42 pm

Fleur Anderson (Putney) (Lab): I beg to move,

That leave be given to bring in a Bill to prohibit the manufacture and sale of wet wipes containing plastic; and for connected purposes.

I thank the Bill's sponsors, many of whom are here today, and the many MPs from all parties who have shown their support for it. I also thank the Marine Conservation Society, the World Wide Fund for Nature, Thames21, the Green Alliance, Water UK and my water company, Thames Water, for their support for the Bill and for the ongoing campaign.

This is a Bill that everyone agrees with, from constituents to conservation organisations, water companies, MPs from all parties and the industry. The UK Cleaning Products Industry Association believes that plastic-free options are the right way for the industry to go. We were promised that by the Government in 2018, when the Department for Environment, Food and Rural Affairs announced that it would target plastic-containing wet wipes in its bid to eliminate all avoidable single-use plastic within 25 years. A DEFRA spokesperson at the time said:

"As part of our 25-year environment plan, we have pledged to eliminate all avoidable plastic waste, and that includes single-use products like wet wipes."

But where is that ban? I hope that my Bill gives the Department the nudge.

I welcome the Government's amendment to the Environment Bill to introduce additional charges on single-use plastics, but that just will not wash—pardon the pun. Hygienic wipes are a single-use plastic, but subjecting them to additional charges will only hit the pockets of families, instead of making the profit-making polluters pay. I welcome the Secretary of State's promise this morning of a consultation on whether to restrict the materials used in wet wipes, but I hope that the consultation does not kick the issue into the long grass. As Her Majesty the Queen said about COP26, we need actions, not words, and this is an example of such action.

To be clear, I am not talking about banning wet wipes; I am talking about banning the use of plastic in wet wipes. I have spoken to so many MPs who have picked up wet wipes from their rivers and coastlines. They have seen the scale of the problem at first hand and want more action. In this week of COP26, we are looking at the big picture of climate change and biodiversity, yet that picture is made up of many individual, bold actions. If our global house is on fire, we will need many buckets of water to put it out, and here is one of them. I will outline the scale of the problem; what the problem is with plastic; whether a ban is possible; and what else needs to be done.

First, on the scale, as a mother of four children, I have used a lot of wet wipes, and I completely understand the pressures that parents are under and how useful wet wipes are. I know that parents also want to do the right thing for the environment. Wet wipes have made life easier for millions of people and families. The market is worth \$3.7 billion globally and growing rapidly, especially because of covid. In 2019, an astonishing 11 billion wet wipes were used in the UK—163 for every single person—

[Fleur Anderson]

and that was before the pandemic. We have seen a huge surge in the use of wet wipes and hygiene products since then. Between 2005 and 2020, the great British beach clean has seen an increase in wet wipes found per 100 metre stretch of beach from 1.7 to 18. The scale is increasing enormously.

About 90% of wet wipe products contain some form of plastic, which breaks down into microplastics that never dissolve or biodegrade. When those plastics enter our local marine environment and water systems in such large volumes, the damage is devastating. Globally, 100 million marine animals—from birds to fish, and other marine organisms—die each year from plastic waste alone. They eat the plastic, which sits in their stomach indefinitely, not being digested, and slowly and agonisingly it starves and suffocates them to death as they cannot process food. Plastic wet wipes are designed to absorb toxins, bacteria and chemicals, so they also act as a deadly poison when consumed by unwitting marine wildlife.

It is not just animals but humans who are affected. Globally, the World Wide Fund for Nature believes that a human could ingest about 5 grams of plastic every week—the equivalent of a credit card. Mr Speaker, we might literally be eating a credit card's worth of plastic every week and wet wipes are a huge cause of that.

That is not all. Wet wipes are behind 93% of blockages in UK sewers and are even changing the shape of our rivers as they pile up on banks and beds. In 2018, Thames21 volunteers retrieved more than 5,000 wet wipes from about 100 metres of the Thames bed during an operation on the river. Every year, water companies spend £100 million dealing with 300,000 sewer blockages. That money is added to consumer bills—our bills; it costs us as well as the environment. The Thames Water area alone—my area—has on average 85,000 blockages a year due to fat and wet wipes congealing. *[Interruption.]* I am sorry about all these facts, but we need to know them.

Yesterday, I visited Becton sewage treatment works to see the 30 tonnes of unflushable material that it removes every day, most of which is wet wipes. It is not a sight that I will forget in a hurry. I have also been out at low tide on the Thames to see thousands of wet wipes in a wet wipe island washed up on the Thames foreshore. They are found widely on our beaches, too. That is the scale of the problem—it is large. But can wet wipes be banned? Is it feasible? Can they be made without plastic? They can. Many companies produce plastic-free, biodegradable wet wipes in the UK and I have spoken to several. Many non-plastic alternatives exist, for example bamboo fibre wet wipes and plant-based wet wipes such as cellulose or viscose. There are alternatives.

I give credit to Holland & Barrett and The Body Shop for being the first two retailers to commit to stop selling plastic wet wipes and replace them on their shelves

with environmentally friendly alternatives. Sainsbury's has now made its own brand of wet wipes plastic free, using material from renewable sources. It is perfectly possible to do and, since more of the production of the plastic-free wet wipes happens here in the UK, it is also a source of UK green jobs.

The next question is whether, if wet wipes are made without plastic, they will still be economical. Will they not pass on a price hike to the consumer? That is not what we want. Yet again, companies such as Pura prove that it can be done, and with a greater scale of production, driven by a ban, even more could be done. A ban would create a boost for innovation in the sector and a level playing field between companies, ensuring that costs are not passed down to the consumer because some companies are still using plastic and others are not.

What else is needed? Far too many people believe it is okay to flush wet wipes. I am here to say that it is not. It is never okay to flush wet wipes. The “fine to flush” standard has helped to move the industry towards more decomposable wet wipes, but the labelling is voluntary, a bit confusing and unclear. I challenge any hon. Member in the House today to go to their supermarket shelves, look at the wet wipes and try to work out from the labelling what is the right thing and what is not, what contains plastic and what does not.

The Government need to apply extended producer responsibility to producers of all other types of single-use wet wipes. The polluter should pay for the damage. We need legislation, because the scale of the problem is so big, so damaging and increasing so fast. Ask any marine conservationist, any water operator, any engineer clearing a fatberg or any volunteer clearing up sludge from our rivers—they will tell us we simply cannot afford to wait for the industry to catch up.

I hope my Bill will lead to action from the Government and that they will come good on that 2018 promise to ban plastic in wet wipes. Otherwise, those promises are just hot air. My Bill sets out the need for a clear plan for reduction on the way to a ban. It will be a win for consumers and for the environment. I urge the Secretary of State to take action that can stop the mass killing of wildlife from microplastics, the destruction of our rivers and the chaos in our sewer system. I urge him to listen to civil society, the water companies, the consumers, our constituents and his own MPs, and to ban plastic in wet wipes once and for all.

Question put and agreed to.

Ordered,

That Fleur Anderson, Philip Dunne, Caroline Lucas, Ms Diane Abbott, Tim Farron, Barry Gardiner, Jim Shannon, Patrick Grady, Helen Hayes, James Gray, Dr Lisa Cameron and Ben Lake present the Bill.

Fleur Anderson accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 19 November, and to be printed (Bill 182).

Ways and Means

Budget Resolutions

INCOME TAX (CHARGE)

Debate resumed (Order, 1 November).

Question again proposed,

That income tax is charged for the tax year 2022-23.

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

Mr Speaker: I inform the House that I have not selected any amendments to the motion.

12.54 pm

The Secretary of State for Education (Nadhim Zahawi):

In 2019, we made a promise. We promised to give the people of this country world-class public services and to strengthen the entire fabric of this country so that everyone benefits. Everyone is entitled to have access to the same opportunities to make the most of their lives, whether they are at school, at work or whatever their personal circumstances. That is what we meant, and what we mean, by levelling up: making this country fairer for all who live in it.

Gareth Thomas (Harrow West) (Lab/Co-op): On the subject of levelling up, will the Secretary of State tell the House why he thinks it is acceptable for schools to be worse off in real terms now than they were in 2010?

Nadhim Zahawi: Respectfully, it is quite the opposite. I will get to that point later. Schools will be £1,500 better off per pupil than in 2019-20—not even 2010—but we will return to that subject in a moment or two.

I was getting to the point about those who are more vulnerable. For those who are most vulnerable, levelling up means that extra support will always be there for them. The covid virus has put enormous pressure on all our public services, and I know the whole House will want to join me in again thanking our magnificent public heroes—our nurses and doctors, our teachers and nursery workers, our care home staff and our delivery workers—for how they have helped us all to weather the pandemic storm.

The national health service has been the frontline of this pandemic and we must build up its resources after an unprecedented 18 months. We are committing £5.9 billion to tackle the NHS backlog of non-emergency tests and procedures, which will include £2.3 billion for ensuring that there are at least 100 community diagnostic centres where people can get health checks, scans and tests closer to their homes.

Digital technology is transforming every aspect of our lives, so the package includes £2.1 billion over the next three years to support its use in hospitals and other care organisations to improve efficiency, freeing up valuable NHS staff time and ensuring the best care for patients, wherever they are. There will also be £1.5 billion from that package over the next three years for new

surgical hubs, increased bed capacity and equipment to help elective services to recover, including surgeries and other medical procedures.

We have promised an overhaul of our adult social care system, improving social care outcomes through an affordable, high-quality and sustainable system. We are therefore allocating £3.6 billion for local government to reform adult social care provision, including capping personal care costs at £86,000.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): I thank the Secretary of State for giving way; he is always very generous. I draw his attention to the letter from the East Riding of Yorkshire Council, a Conservative-led authority, to the Secretary of State for Health and Social Care, stating that

“the council has 302 assessed individuals requiring 4,114 hours of home care per week that we are currently unable to provide.”

The letter was dated in October. It identifies extra money that the Government have given, but says the council still does not have the funding needed to care for the people who need help in the East Riding.

Nadhim Zahawi: I am grateful to the hon. Lady, and I am sure the Secretary of State for Health and Social Care will take a careful look at her letter and respond in good time.

Nevertheless, it is this Government who have grasped the nettle of adult social care and will deliver on capping personal care costs, which can be so debilitating, at £86,000. While £1.7 billion will improve the wider social care system, including the East Riding of Yorkshire, as announced in September, at least £500 million of that will go towards improving qualifications, skills and wellbeing across the social care workforce.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Is it not the case that the additional money for adult social care is on a promise that might come along in a few years' time, and that most local authorities will not see a penny immediately to tackle the immediate problems that they have in adult social care? That is why I tabled my amendment; it was quite rightly not selected, but it would have brought in £15 billion extra and not harmed anyone earning under £50,000. Why will the Government not just make national insurance a flat rate for everyone?

Nadhim Zahawi: I am grateful for the hon. Member's question. I think he may have missed, while trying to catch your eye, Mr Speaker, what I just said about the £1.7 billion to improve the wider social care system that was announced in September. The additional £3.6 billion to local government that was announced in the Budget is more money. This is not an arms race on how much we can spend; this Government are interested in delivering outcomes. Covid has, no doubt, added extra challenges to our reforming agenda, but it has not deflected us from delivering our promises; it has made our commitment more focused as we deliver and build back better. For me, that means skills, schools and families.

Barbara Keeley (Worsley and Eccles South) (Lab): I detect a hint of complacency on funding for social care. The Secretary of State mentioned £500 million to go towards workforce issues. That is nothing; it is a drop in the ocean for the issues with the social care workforce.

[Barbara Keeley]

There are more than 100,000 vacancies in social care and turnover is 30%. The money just will not touch the sides. The reaction to the Budget from the social care sector, which I hope to speak about today, has been one of profound disappointment and disbelief, really, that the Government do not understand what a crisis the sector is in. I really think it is about time for the Secretary of State to change his tone on that.

Nadhim Zahawi: I have to respectfully disagree with the hon. Lady. In my time as vaccines Minister, I saw the social care sector rise to the challenge and deliver. I opened my remarks by reminding the House of that and thanking the workers on the frontline. Of course, money does make a difference, including the £500 million announced to make sure that we retain and inspire the social care workforce.

Marsha De Cordova (Battersea) (Lab): I thank the Secretary of State for giving way; he is being very generous with his time. He talks about the investment in social care, but does he not agree that there will still be a gaping hole of over £500 million in disabled children's social care support?

Nadhim Zahawi: I will return to children's social care later in my speech. Mr Speaker, you will, I hope, recognise that I have given way several times. I would now like to make some headway in my speech and return to my theme, which hon. Members will hear from me and my team and from across Government: skills, schools and families.

World-class public services demand world-class skills, and in this country we are entering a new era—the era of the skills economy. We are investing over £3.8 billion over the course of this Parliament in further education and skills to make sure that people have access to the kind of high-quality training and education that will open the doors to good jobs, which in turn will boost productivity and support levelling up. For too long, employers have complained that young people just do not have the skills that their businesses need, particularly in science, technology, engineering and maths. For too long, students have studied subjects that will not result in a meaningful or satisfying career. That mismatch is not just bad for students; it is bad for business and it is catastrophic for our economy, especially as we try to rebuild after the pandemic.

We need people with the skills for tomorrow's industries, so we are making the largest investment in skills in a decade, and it is going to deliver the technical education our economy needs. Our skills economy will power innovation and growth, and we will all feel the benefit.

Alex Sobel (Leeds North West) (Lab/Co-op): Yesterday I was speaking with members of the tech industry, and they were lamenting the fact that there is only one hour a week for computing in secondary schools. Our growth will be in the technological sector. What will the Government do to improve computing education in schools?

Nadhim Zahawi: I am grateful for the hon. Member's question. I know that he cares passionately about this subject and the overhaul of information and communications

technology in the curriculum. I think an £83 million investment in that is a signal to the sector of how important it is to the UK economy. I saw at first hand at Barnsley College how T-levels in technology are delivering for young people. We will invest £2.8 billion of capital funding in skills and further education, including to further expand our new T-levels, which are set to offer a new gold standard in technical education and will be more than a match for A-levels.

Andy Carter (Warrington South) (Con): I recently visited the university technical college in Warrington, which is a great example of skills-based education, linking with employers such as Sellafield. Does the Secretary of State agree that that is exactly the sort of education we need to see across the UK?

Nadhim Zahawi: My hon. Friend is absolutely right that the UTC and the work it is doing with Sellafield is exactly the sort of high-skilled, high-ambition, career-developing education that we need, giving those young people, when they become young adults, a real outcome. Of course, higher wages and a more successful economy will be by-products of that, but the real outcome is that rounded adult who has a real career path in the economy.

Robert Halfon (Harlow) (Con): I welcome what my right hon. Friend is saying. Can he confirm that there is a 42% increase in the skills budget in cash terms? Does he not agree that if we spend that money right, we will create, for the first time, a parity of esteem between skills and higher education, and that rather than just “university, university, university”, our mantra should be “skills, skills, skills” and “apprenticeships, apprenticeships, apprenticeships”?

Nadhim Zahawi: There is no greater champion of this agenda than my right hon. Friend, the Chairman of the Select Committee on Education. “Skills, skills, skills” runs through his veins, and I thank him for that point. I absolutely agree with him on the uplift in the investment that we are making.

I would like to take a moment to tell the House all about the visit I made to Barnsley College just a week or so ago. The college was the first in South Yorkshire to roll out T-levels. While I was there, I met several of its students, including one whose name is Greg. Honestly, I have rarely met a more inspiring individual. He told me that with his T-level—I will quote him word for word:

“I'm looking at unis now and thinking, ‘Which one am I picking?’ not ‘Which one of them is picking me?’”

Greg is living proof of the transformative effect our skills programme is having.

The same is true for apprentices. Apprenticeships funding will increase by £170 million to £2.7 billion, alongside other improvements to support more small businesses to hire new apprentices.

Emma Hardy: Will the Secretary of State give way?

Nadhim Zahawi: I want to make sure that others get a chance to participate in the debate, so I will make some headway. I hope that the hon. Lady will forgive me; I beg her indulgence.

These investments are putting employers at the heart of our skills economy so that education and training respond to local business needs. In this way, we will not only build one of the best technical education systems in the world, but drive local prosperity and levelling up.

Of course, we know that skills training is not just for the young. As technologies change and develop and businesses adapt, so people will find that they will need to reskill or retrain throughout their lives. Globalisation and automation are changing the modern workplace. Jobs and industries that are flourishing now might not be in five or 10 years. Our skills economy must be sufficiently agile to flex not just for today but for tomorrow and long into the future.

With our “Skills for Jobs” White Paper, we are committed to boosting the job prospects of adults across the country by making sure that they can get the training they need to adapt to a changing workforce. A total investment of over £550 million will make sure that adults at any age can retrain or upskill, and that is part of our national skills fund commitment. We will be investing more in boot camps, which offer free flexible courses of up to 16 weeks, giving people the opportunity to build up specific skills with a clear route to a job at the end. We are also investing more to help adults in England take advantage of our free courses for jobs offer. There are now more than 400 courses to help more adults gain the skills they need to boost their career prospects. There will be opportunities for adults across the whole of the UK to develop their numeracy skills through the multiply programme the Chancellor announced, funded by another £560 million through the UK shared prosperity fund. That means that wherever people live and whatever stage they are at in life, they will be able to access training and education that gives them the skills employers want and which can lead to good jobs and career progression.

Ben Everitt (Milton Keynes North) (Con): This is a national effort. A lot of attention has quite rightly been placed on the areas in the north of England that are targets for levelling up, but will my right hon. Friend confirm to the House that levelling up is a national agenda and that there are poorer areas in the south of England and London that will receive priority funding from the Government?

Nadhim Zahawi: Levelling up is at the heart of the Government’s agenda. Levelling up means empowering local leaders and communities to drive real change: boosting living standards, particularly where they are lowest; spreading opportunity and improving public services, particularly where they are weaker; and restoring local pride across the United Kingdom. Every local authority across the UK is eligible for the levelling up fund. In line with the Government’s mission to level up, it is right that we have prioritised areas that have been objectively assessed as most in need of the kind of investment that the levelling-up fund provides. That includes areas in the south of England which are most in need.

Schools are equally important and they have done well in the spending review. One of the biggest challenges we currently face is helping the young people who have suffered so much disruption to our schools during the pandemic. Those young people have been foremost in my mind and are central to the significant investment

we announced this week. We know that world-class public services will help to turbocharge our economy. They will give us the skills, knowledge and technical excellence to drive productivity and growth. To deliver them, we have to begin with our schools.

All of us here, without exception, will owe a great debt to a teacher—maybe more than one—who helped us to get to where we are today. Colleagues will be aware that I have more reason to be grateful than most, having arrived here at the age of 11 as an immigrant without a word of English. I will always be grateful to the teachers who helped me on my way, which is why it gives me particular pleasure today, as Education Secretary in Her Majesty’s Government, to say that we are going to increase our spending on our country’s schools. Core funding will rise by £4.7 billion in 2024-25, building on the largest cash boost for a decade provided in the 2019 spending review. That equates to a total cash increase of £1,500 per pupil compared to 2019.

Clive Efford (Eltham) (Lab): Will the Secretary of State give way?

Nadhim Zahawi: I will make some headway. I have taken many interventions.

Let us not forget that these are not normal times for any of our schools and colleges. The task in front of them, helping every young person to get back to where they need to be, requires all our teaching and education staff to continue to deal with the fallout from the pandemic. To reflect that, we will be allocating nearly £2 billion extra to support young people who are struggling to catch up on missed learning, following the existing investment in tutoring and training for teachers.

Clive Efford: The Institute for Fiscal Studies has described the increase in education funding over the past decade as the worst for 40 years. The Secretary of State says he is increasing funding for schools, but by next April, 12 years on, we are only about to achieve the same level of funding that existed in 2010. That is a damning indictment of the Conservative Government over the past decade. Why have young people in our schools been forced to pay the price of Tory austerity?

Nadhim Zahawi: I am grateful to the hon. Gentleman for that question, but respectfully he is completely wrong. It is not the same level of funding as 2010. Let me try to explain it to him and his constituents. The £1,500 per pupil extra by 2024 is £1,500 more than in 2019-20. That is a significant investment in the future of this great country.

To reflect that, we will allocate—as I was saying on recovery—£2 billion extra to support young people who are struggling to catch up on missed learning, following the existing investment in tutoring and training for great teachers. That is in addition to the 6 million tutoring courses and 500,000 training opportunities we have already made, which takes overall investment specifically dedicated to pupils’ recovery to almost £5 billion. That includes an additional £1 billion of catch-up funding that goes direct to schools so that they can best decide how to support education recovery for those of their pupils who most need it. Teaching unions wanted that additional flexibility—I thank them for that—and I listened to them and made representations to my right

[*Nadhim Zahawi*]

hon. Friend the Chief Secretary to the Treasury. As they told me, this funding might pay for specialist small groups, or hiring staff to lead extra-curricular activities outside the school day. In that way, an average secondary school could receive about £70,000 a year in additional cash. That is money that can make a real difference to young lives. Evidence shows that the pandemic has had a significant impact on older pupils who have the least time left in education. We will be investing £800 million in extending the time they spend in colleges.

It is no secret that the most important person in any classroom is the one standing at the front of it, which is why this settlement enables us to raise teachers' starting salaries to £30,000. We promised that in our manifesto and we are delivering on that promise. That is in addition to a salary boost of up to £3,000 tax free to teach maths, physics, chemistry and computing, which we have already announced, to increase the number of teachers in subjects that are facing the greatest shortfall. It will also build on our groundbreaking teacher recruitment and retention reforms. We want our brightest and best graduates to be queueing up to be teachers. We now have far more compelling reasons for them to do so.

As a former families Minister, I care passionately about giving children a great start in life. That means giving families every support. I have seen for myself on many occasions the incredible effect that our investment can make on helping struggling families. Around 300,000 of our most vulnerable families will be supported with an extra £200 million boost to the Government's flagship supporting families programme, which supports families through complex issues that could lead to family breakdown. That is an approximately 40% real-terms uplift in funding for the programme, taking total planned investment across the next three years to nearly £700 million. As I said, we are being driven by three things: skills, schools and families.

Ben Bradley (Mansfield) (Con): I welcome my right hon. Friend's commitment to the supporting families scheme. The certainty around that for the long term will be very beneficial. He will recognise, as a former families Minister, that the big pressure on local government budgets is not social care—I wish I could spend the money, but I cannot employ anybody—but children's services. The cost is growing exponentially. We need to move to more proactive preventive services, such as supporting families. Will he make a commitment to ensure that the transition in local government to preventive services will continue beyond this Budget? It is very welcome, but it has to be a long-term trend. Will he commit to supporting local government to do that?

Nadhim Zahawi: My hon. Friend is absolutely right and I thank him, not least because of his deep experience in local government. We will continue to engage with the MacAlister review and we will take very seriously the points that my hon. Friend made about the pressures on local government.

As I said, this is about skills, schools and families, which is why we are setting aside £50 million over three years—

Yasmin Qureshi (Bolton South East) (Lab) *rose*—

Andrew Gwynne (Denton and Reddish) (Lab) *rose*—

Nadhim Zahawi: Let me make some headway, because hon. Members might find this interesting: we are setting aside £50 million over three years for parenting programmes to help parents and carers build positive relationships with their children and around £80 million to create a new network of family hubs—a one-stop shop where families can get help and support services when they need them in 75 local authorities across England. Almost half of local authorities will have a family hub. I will give way to the hon. Member for Denton and Reddish (Andrew Gwynne).

Andrew Gwynne: I am grateful to the Secretary of State. I welcome the Government's new-found conversion to something that sounds particularly like the Sure Starts that we had in 2010, but I want to ask him about a practical point. The fact is that in large parts of the country—usually where the facilities are needed most—the Sure Start centres are just not there physically in the community, because of the reductions in the revenue support grant to local government. They have been subsumed into schools, removed or sold. Will he prioritise areas such as Tameside so that we can build back this network of family support in our communities? We do not have the Sure Start centres; we need capital funding to bring them back.

Nadhim Zahawi: The hon. Gentleman will know that, as Children and Families Minister, I tried to follow the evidence, and I will do the same as the Secretary of State. I will always be evidence-led. My difficulty with his statement about Sure Starts is that when we look at the evidence, we see that much of the investment went into buildings rather than to the families that we really needed to access those services. The difference here, as I saw through the evidence from family hubs in Harlow and elsewhere, is that with this multi-agency, wraparound approach, we can get to the families that need to access the service. I am glad to hear that he welcomes this announcement, because I know that he will probably be an outlier in his party in wanting to work constructively to get the 75 centres up and running.

We also continue to invest in early education, with around £170 million every year—the sector was slightly confused, but I know that the Children and Families Minister, my hon. Friend the Member for Colchester (Will Quince), set them straight—to increase the hourly rate for free early education entitlements, supporting families with the cost of childcare. As we would expect from a Government who are as committed to levelling up as this one, much of our focus is on those who need additional help, especially the most vulnerable in society.

Yasmin Qureshi: Will the Secretary of State give way?

Nadhim Zahawi: I know that Mr Speaker is looking at his watch, so perhaps the hon. Lady will forgive me if I make some headway and let others into the debate.

Mr Speaker: It is not about headway—I think a mere finish might be helpful.

Nadhim Zahawi: Indeed, Mr Speaker. We are investing £2.7 billion of capital funding to improve provision for pupils with special educational needs and disabilities.¹ That funding represents a significant investment in high needs provision and will help to deliver tens of thousands

1. [Official Report, 2 December 2021, Vol. 704, c. 10MC.]

of new places for some of the most vulnerable children in our country. Over the next three years, we will provide £259 million to expand the number of places available in secure and open residential children's homes. That will provide high-quality, safe homes for some of our most vulnerable children and young people.

We will also support families through our adoption strategy. That will go a long way to improving the process of matching children who need a home with the adopters who are desperate to provide one for them. That means encouraging all those who can provide a loving home to come forward, not just those from a narrow, rather middle-class demographic. We will, in due course, see more centres of excellence for our regional adoption agencies.

Every child deserves to grow up in a secure and loving home and every single one of us, young and old alike, deserves to live in a community where we feel safe. The whole country has been shocked to the core by the recent violent attacks on people who have been walking home or out enjoying themselves, especially vulnerable young women. This is simply unacceptable. We promised to recruit an extra 20,000 police officers in 2022-23 and we are putting an extra £540 million into recruiting a further 8,000 additional police officers. We are allocating £42 million for new crime and drugs programmes. That will help to fund our Safer Streets programme and will help more people to improve home security, especially in areas that have a high incidence of burglary, car theft and robbery. We have always taken a zero-tolerance approach to crime, and tackling drugs is a priority, especially through our county lines programme. We will set up a national crime and justice lab to analyse crime reduction and prevention data.

Part and parcel of keeping our streets safe is making sure that those who threaten that security are dealt with quickly and efficiently through our criminal justice system. The covid pandemic has had a massive impact on this, so we are making an extra £2.2 billion available to manage the increased number of offenders being brought to justice and to reduce backlogs in criminal courts. There will be an extra 20,000 prison places, which builds on the additional 18,000 prison places that we announced at the last spending review, plus a further 2,000 temporary places. That represents the largest prison-building programme in a generation.

For those people who have been victims of crime, we will increase our support services to over £185 million a year. Security, safety and support are going to underpin our public services, but we must also take a proactive approach to make sure that all our communities are vibrant, resilient places where people can live, learn and work. One of the chief ways to make sure that everyone can get from A to B smoothly and efficiently is through world-class public services, and we will need world-class local transport systems. The investment there makes a huge difference across the board.

I know that you are anxious about the time, Mr Speaker, so I will conclude. This Budget will provide billions of pounds to deliver the public services that the British people deserve. It puts skills, schools and families at the centre of everything we do and it embeds levelling up throughout all our services and our national infrastructure. The Budget is a clear statement of intent: world-class public services backed by £150 billion a year in cash terms.

1.26 pm

Kate Green (Stretford and Urmston) (Lab): It is a great pleasure to follow the Secretary of State in today's debate. Our public services keep the nation going. In the last 18 months, we have relied on them more than ever: on nurses, doctors, NHS and care staff, who have looked after us in the most difficult conditions; on police and the emergency services; on transport staff; and, of course, on teachers, lecturers, school and college leaders, early years, childcare and education support staff, who have kept children safe and learning. It is because of their dedication and the importance of the services that they provide that we needed a serious plan in this Budget to rebuild the services that the Government have cut to the bone in the last 10 years, and a plan to remake Britain. Instead, we got a high-tax, low-growth Budget that hits working people with a £3,000 hike in their tax bills; a Budget that did nothing to reduce living costs, tackle soaring energy bills or support working families this winter; and a Budget that failed to address the deep-rooted pressures on the public services on which we all rely.

Over the 74 years of its existence, the NHS has been a source of huge pride to this country. However, under the Conservative party, life expectancy among the poorest has fallen and health inequalities have widened, so measures to tackle that state of affairs were very much needed. Instead, we got the Chancellor pretending that a new wing or new unit somehow counts as a new hospital. We got a sticking plaster for social care, with local authorities having to levy their residents to pay for it. Incredibly, after the 18 months we have all been through, the Government failed to prioritise public health, which has suffered a 24% cut in real terms since 2015-16.

Emma Hardy: In the Treasury Committee yesterday, we heard evidence from the Office for Budget Responsibility, which predicts that 95% of councils will raise their precept to the maximum to cover social care—another thing that will have an impact on the cost of living. The letter that I quoted from earlier, which was written to the Secretary of State for Health and Social Care not by me, but by the leader of Conservative-led East Riding of Yorkshire Council, says that adult social care is in crisis.

Kate Green: My hon. Friend is absolutely right. The levy to fund social care is one more tax that will hit hard-pressed families in the spring and will do nothing about the deep-seated need to address the social care crisis and the increasing pressure from an ageing demographic—it will not even touch the sides.

Jacob Young (Redcar) (Con): Is it not the case that the Labour party still has no plan for social care? When we put forward a plan only a few weeks ago, Labour Members voted against it.

Kate Green: The hon. Member may not remember the Dilnot plan, which had cross-party support until Conservative Members torpedoed it. He may not have read the five principles that Labour has set out to underpin our approach to social care, including preventive investment to keep people at home and living independently for as long as possible, as we all want to. We have a plan that would invest in the workforce. It is not enough just to wish for better social care; the people have to be there

[Kate Green]

to deliver it. That is Labour's plan, and if the hon. Member would like more details, I am very happy to send them to him.

Despite 1.6 million people waiting for treatment, there was no guarantee in last week's Budget that mental health will receive its fair share of NHS funding. Health stakeholders were most critical of the lack of a workforce strategy or a multi-year funding settlement to support it. We cannot deliver world-class healthcare if we do not invest in recruitment, retention and staff development. It is no wonder that the NHS is struggling when the number of adult health and care students declined by 15% in the three years before the pandemic.

The pandemic also shone a light on the problems that our schools, colleges and early years providers were already facing. No doubt it exacerbated them, but it did not create them. Last week, the Chancellor set out a £3 billion investment in skills, and the Secretary of State claimed that it was the biggest in a decade—but it comes after a decade of cuts to post-16 provision. The Learning and Work Institute calculates that funding over the spending review period will still amount to only 60% of the 2010 figure.

It is astonishing that at a time when our economy has to adapt to the challenges that the Secretary of State referred to—globalisation, digitisation and climate change in the post-Brexit environment—investment in skills remains so lacking. Four in 10 young people are leaving education without the level of qualification they need, the number of apprenticeships has fallen by more than 40%, and 9 million adults lack basic skills in literacy or numeracy. No wonder the Chancellor can promise only a paltry 1.5% increase in growth in the final three years of the forecast period.

At the same time that it is talking up the importance of vocational education, the Department for Education is scrapping most BTECs—well-recognised and respected qualifications that give opportunities to hundreds of thousands of young people.

Andrew Gwynne: I am grateful to my hon. Friend for raising the importance of BTECs, because for many young people and indeed many adults, BTECs are the route through the education system. As somebody who has a BTEC national certificate in business and finance and a higher national diploma in business and finance, I know that—it was my route through the education system. Let us make sure that we keep it open for future generations, too.

Kate Green: My hon. Friend is absolutely right. Again and again, I have met people who have described their learning journey from BTECs to university and an excellent career. Of course we want T-levels to succeed, but there is no reason to remove other qualifications that provide a different route that is more appropriate for some young people. Under Labour, every young person will receive education that is appropriate to them, whether that is an apprenticeship, technical education or university, and will leave it ready for work and life.

Emma Hardy: Will my hon. Friend give way?

Kate Green: If my hon. Friend will forgive me, I will make some progress.

OECD data show that the UK has some of the world's highest childcare costs—the cost of nursery provision for a one-year-old increased four times faster than wages between 2008 and 2016—but despite the high costs for parents, many early years providers are struggling to stay afloat. This year alone, nearly 3,000 childcare and early years providers have closed their doors. This Budget could have been an opportunity to put provision on a sustainable footing, reduce costs to parents and invest in quality, making a real difference to millions of families, but the announcements that we got were inadequate.

Don't get me wrong: any investment in families with young children and in support for new parents is welcome, but the family hubs project is a pale imitation of what the Conservatives inherited in 2010. [Interruption.] "Nonsense," says the Minister, but let me tell him that when Labour left office, there were 3,500 Sure Start centres delivering support to more than 2.9 million children in every local authority in the country. Since then, 1,000 children's centres have closed. A moment ago, I think the Secretary of State was promising new family hubs in only half of local authorities. Can he tell me how many family hubs in total will be created as a result of the spending announcements?

By the 2021 summer term, children had missed an average of 115 days of schooling, and on 21 October, just before the half-term break, 248,000 children were still out of school as a result of covid, yet the Government's response falls well below the scale of ambition needed for children's educational recovery. The extra £1.8 billion announced by the Chancellor last week brings the Government's recovery plans up to a total of £5 billion—far short of the £15 billion that their own expert adviser said would be needed to ensure that children make a full recovery from the pandemic.

Labour, by contrast, remains committed to our £15 billion children's recovery plan. Whereas the Government will provide tutoring to just one in 16 pupils this year, Labour's plan would resource schools to deliver tutoring to all who need it. We would deliver universal catch-up breakfast clubs and extend the school day for additional activities—I noted that the Secretary of State seemed to be in favour of that at Education questions yesterday, but he got nothing from the Chancellor. We would invest in training world-class teachers and teaching assistants and in supporting the early years sector, schools and colleges with an education recovery premium. We would prioritise young people's mental health, giving every school access to a professional mental health counsellor.

Andy Carter: I have totted up all Labour's uncoded spending plans to about £400 billion. From what I can see, Labour is proposing about £5 billion of extra taxes. Can the hon. Lady explain where the extra money will come from? Is it not still the case that Labour is the party that cannot be trusted to run the economy?

Kate Green: I have absolutely no idea where that £400 billion figure comes from. The hon. Member says that it is uncoded, but there is no such uncoded plan; he needs to check his figures. The £15 billion coded plan—a plan advised by the Government's own expert adviser—will, of course, be covered by the covid funding pot that the Government themselves admit has to be set aside to meet the costs of the pandemic. If the hon. Member cares to examine the tax burden from the

Budget, he will see that it is not Labour that is increasing taxes on hard-pressed families. Taxes will hit families by an extra £3,000 as a result of his Chancellor's Budget.

Yasmin Qureshi: The hon. Member for Warrington South (Andy Carter) talks about financial prudence, but this Government spent £39 billion on the failed Test and Trace. How can Conservative Members talk about financial prudence?

Kate Green: My hon. Friend makes the case.

Labour's plan would deliver the wellbeing and academic support needed to meet the scale of the challenge and ensure that all children can reach their potential. That is the level of the investment that the Government should have been making in the nation's children.

When we look at overall school spending, the picture does not get much better. The Chancellor announced a 2% per annum real-terms increase in school budgets over the next three years. I want the Secretary of State to listen to this very carefully, because we are messing around a bit with figures here. That increase will finally return school spending to 2010 levels, in real terms, in 2025. As Paul Johnson, the director of the Institute for Fiscal Studies, has said,

"To have no growth in 15 years in such an important part of public services is unprecedented".

This means that 732,000 children in state-funded reception classes in 2010 have seen their whole school careers affected. A whole generation of children has been failed by consecutive Conservative Governments.

The Secretary of State spoke of a cash increase in school spending as a result of the Budget, but schools are facing a host of rising costs to set against that: covid costs, energy bills, and employer national insurance contributions. The ending of the public sector pay freeze is overdue, but it is schools that will have to fund the teacher pay settlement.

The impact of this underfunding is plain to see. Some 200,000 children are growing up in areas with not a single primary school rated good or outstanding. Forty per cent. of young people leave compulsory education without essential qualifications. By the time they finish their GCSEs, pupils from poorer families are 18 months behind their wealthier peers in terms of attainment, and a third of teachers leave our schools within five years of qualifying. Last week's Budget was an opportunity to fix those deep-rooted problems, but the Chancellor failed to do so.

Youth services help to equip young people with the skills and confidence that they need for life. They provide careers guidance and mental health support, they are one of the most effective ways of tackling the root causes of crime, and they help to build community cohesion. However, although they have already experienced a decade of cuts, last week's Budget went on to inflict on them the single biggest one-off cut in youth services for a decade, leaving a £470 million hole in the youth budget. The Chancellor's boasts of investment cannot disguise this crippling cut. Under the last Labour Government, youth services were accessible to people whatever their background; today, they are a patchy postcode lottery.

Lloyd Russell-Moyle: Will my hon. Friend give way?

Kate Green: I am about to finish my speech, so I hope my hon. Friend will forgive me if I do not.

This Budget failed to address the challenges facing our education system—from early years to schools and from skills to higher education, about which the Chancellor said almost nothing last week—just as it failed to address the challenges facing the country. There was no plan to tackle the growing cost-of-living crisis, no plan to remove the enormous tax burden that the Conservatives have placed on working people and businesses, and no plan for growth, which is crucial to boosting our economy. This is not a Budget for the stronger economy of the future about which the Chancellor boasted; it is a Budget that lets down business, lets down our public services, and lets down the British people. They deserve better from this Conservative Government.

Several hon. Members rose—

Mr Deputy Speaker (Mr Nigel Evans): Order. I am going to try not to impose a time limit, at least at the beginning, but I will give an indicative time limit. If Members speak for about six minutes, including interventions, they will not be going far wrong. As the House knows, that is a luxury by today's standards.

1.43 pm

Johnny Mercer (Plymouth, Moor View) (Con): I will definitely not take my full allocation, Mr Deputy Speaker. I just want to make a few brief remarks about the Budget. I want to refer to a couple of measures that I think are very positive and pay tribute to some of my Front-Bench colleagues who have worked to bring them about, to mention an issue connected with defence spending that makes me quite uncomfortable, and then, I am afraid, to talk about something a little bit ugly in relation to spending on veterans' affairs. But let me start with the good stuff.

I warmly welcome what has been done about universal credit. As my right hon. Friend the Chancellor knows, I have campaigned for it for many years. The return of the taper rate to where it should have been when it was designed is perhaps the single biggest factor, over and above the argument about whether people should or should not keep the £20 uplift. The taper rate and the twin-track approach to universal credit have the greatest impact in communities such as mine, with a high take-up of universal credit and other benefits. I am extraordinarily grateful for my right hon. Friend's work, and for everyone's work, to make that a reality.

This is a good Budget for Plymouth, in terms of the levelling-up fund. We received £20 million, and we will be dualling the road from The George up to the top of town. I know that it does not mean much to people here, but many of us in Plymouth have sat for what seemed like hours of our lives in that traffic jam. It is very encouraging to see the Government pushing funds downstream towards Plymouth. The living wage is fantastic news for a low-wage economy like ours. People have spoken to me about business rates so many times on the doorstep, and as a result of the Budget, 90% of businesses will see a 50% reduction. When we express our qualms about the Government, it is important to mention what is being done right as well.

I see that the Chief Secretary is in his place. As he knows, I am a huge fan of his, but I am going to give him a slightly hard time over the Ministry of Defence budget. I do not understand why we should talk about global Britain and about record settlements for the

[Johnny Mercer]

MOD, and then reduce its budget in real terms over the current spending period. This is a reduction of 0.4%, which admittedly is not a lot, but the point is the message that it sends to those who are serving and those who want to engage with us in a global Britain to match the threats that we are constantly discussing. I am afraid that the two are not in sync. If we want to be taken seriously, we must get our message right, and it must be done with money.

However, the main issue that I wanted to talk about at a national level—I know it is terribly boring for everyone—is the issue of veterans and spending. The distribution of money for the Office for Veterans' Affairs was mentioned in the Budget, and I am pleased about that, but the amount is £5 million. There are 2.2 million veterans in the country, and that would buy them each a pint—in Plymouth, where beer is not £6 a pint as it is in London. We need a seismic shift in our attitude to veterans.

While I have been sitting here, I have been looking at some figures. It is difficult to compare apples with apples when it comes to veterans' affairs, because different countries do this differently, but in America, for example, £270 billion a year is spent on veterans. That includes allowances, payments for injuries and so on, but it is a lot of money. We compare better with countries such as New Zealand, with 31,000 veterans. This time last year, it spent £10 million in its office for veterans' affairs purely on administration. The closest match, however, is probably Australia, with 325,000 veterans. It spent £11.5 billion in its Department of Veterans' Affairs last year.

Obviously £5 million is better than not having £5 million, but I would caution against making a song and dance about what we are doing for veterans without taking account of the reality of how they feel in their communities. It is still hard for them to know where to turn for help, and it is hard for them to get on to a care pathway where someone will pull them through and care about their outcomes. Op Courage is fantastic, but far too many people do not know about it, because we have not gone out and sold it.

Australia had a problem with veteran suicides and did not know what to do about it, so it established a royal commission which looked into the facts and produced a report. As a result, it provided A\$302 million in additional resources for its Department of Veterans' Affairs. It provided A\$12.1 million to support veterans and their families, and A\$55.4 million specifically to tackle the issues raised.

I know that I consistently pursue this theme, but there is no point, at this time of year in particular, in taking nice photographs of us all looking sombre at memorial services and buying poppies. That stuff matters, but it does not matter to a working-class guy or girl on an estate in Plymouth, or Basingstoke or Birmingham, who does not know how to access care—who hears about all the fantastic mental health care that is available but does not know where to turn, does not know the right people and does not know about the charities. There was a seismic moment for the Office for Veterans' Affairs to pull all this together, but it cannot do that if it is asked to reduce its budget from £5 million to £3 million in the first year.

Carol Monaghan (Glasgow North West) (SNP): One group of veterans whom we talk about regularly in the House—I raised this subject with the hon. Gentleman when he was the Veterans Minister—are the nuclear test veterans. I have not heard him talk about them, and he did not speak much about them in his former role. Perhaps he would like to say a little about them now.

Johnny Mercer: With respect, I have spoken a lot about nuclear test veterans. I was the only Minister who met their group, and I have spoken about the fight to get some sort of medallic recognition. I reviewed the nuclear—

Carol Monaghan indicated dissent.

Johnny Mercer: The hon. Lady can shake her head, but I did actually review the nuclear test programme medical settlement for them, and I improved it.

Nuclear test veterans are a part of this, but no one wants more than me to get away from the narrative that we do not treat veterans particularly well in this country. We are all incredibly proud of them, but this requires action and commitment. The Office for Veterans' Affairs gave us the opportunity to do that, and I urge the Chief Secretary to the Treasury to do it. I know that he and everyone else on the Front Bench believe in this stuff, but we have to get away from giving money to military charities as though that will make us feel better. We have to develop a professional and profoundly different level of veterans' care in this country, working with the third sector and others, to make people feel as though things are really changing for veterans in this country. I urge the Chief Secretary to take that forward.

1.50 pm

Stephen Flynn (Aberdeen South) (SNP): Politics is a remarkable thing, is it not? The theme for today is stronger public services. We had the Chancellor speaking for an hour last week and the Secretary of State speaking for what almost felt like an hour today but was in fact just in excess of half an hour, but no recognition whatsoever was given to the fact that when we talk about stronger public services, we need to reflect on what has happened over the past decade. It has been a decade of Tory austerity. As we heard earlier from the shadow Secretary of State, who made a number of excellent points, spending now will be 60% of what it was in real terms in 2010.

We know that life expectancy for the poorest in society has plummeted on the watch of this Government. They have brought the public sector to its knees. They choose to do that and they now have the gall to come to this Chamber and tell the people of Scotland and the UK that it is fine and that they are now putting more money in. Tell that to the people who have suffered so much—[*Interruption.*] The Chief Secretary to the Treasury shakes his head, but he can live in a parallel universe if he wants to. Alternatively, he could come to my constituency and meet my constituents who have suffered the hands of his Government since 2010. He could meet the disabled people who have been pummelled into the ground by this Conservative party. This Government might claim that they are a different Government, but they are of course the same party, and that collective responsibility belongs with each and every one of them, irrespective of whether we are talking about a stroke of

the pen by George Osborne or by the latest Chancellor. They must all take responsibility for the horrific circumstances that they have caused for so many people over the course of the last 10 years.

Austerity did not just impact individuals; it also impacted the economy. We know that growth was not what it could or should have been, and the Institute for Fiscal Studies has been quite clear that by 2026, real wages—obviously accounting for inflation—will be at the same levels as they were in 2008. That is what the “party of the economy” has done over almost 20 years to the wages of working people right across these isles. If we take wages as a barometer for where the economy is at, we can see a shambolic record. But the economy does not stop there; we need to look at other things in the economy.

A word that has been conspicuous by its absence today and throughout our debates on both sides of the Chamber is “Brexit”. I do not think that the Chancellor quite promised us the sunlit uplands that appeared on the side of buses, but if we look at what the Office for Budget Responsibility says about the real world, we see that Brexit will cost the UK economy 4%. That means that our economy will be 4% smaller than it should be, as a result of an act by this Government for which they show no contrition whatsoever.

It does not take long to go out and speak to a business that is having to deal with the real-life consequences of Brexit. These businesses cannot get access to the supplies that they want, they are unable to export their goods in the same way as before, and they clearly cannot get the staff that they need. I could not believe the earlier remark by the hon. Member for Mansfield (Ben Bradley), who is no longer in his place, when, without a hint of irony, he suggested that his council needed not more money but more people. He is of course a member of the party that put up the barrier to those people coming to work in these isles.

It is not just the private sector that is suffering as a result of Brexit; it is the public sector as well. That includes care homes and our NHS. Right across the public sector, we cannot employ the people we need. The Government will talk wildly about the money that they are about to invest in the NHS, and investment in the NHS is undoubtedly a good thing, but every health board in Scotland is saying that they need staff. This will be replicated down south, and in Wales and Northern Ireland. If they do not have access to staff, the Government can throw as much money as they want at this but it will not resolve the problems. All of this is a consequence of the Government's actions.

Let us look at the situation for those in the public sector more widely. Like everyone else, they are having to deal with the harsh reality of the cost of living crisis. The Chancellor almost brushed over this last week; I could not quite believe it. People right across the UK are having to face up to the fact that inflation will be in excess of 4%. If I recall correctly, the Chancellor said that he was working with the Bank of England to ensure that inflation was kept as low as possible, but it is still going to exceed 4%. The consequences of inflation of nearly 5% will be felt by people in Scotland, Wales, Northern Ireland and England. The price of their food will go up, as will the price of all their goods. The price of their fuel has already gone up, and will continue to do so. Energy bills are going up as well.

On top of that, according to the OBR, the Government are putting up taxes at the highest rate in 30 years. Again, we are meant to be thankful for that. The Government proclaim that it is a good thing that the people who have worked so hard to get us through this pandemic are going to have to face up to having so much less money in their pockets. What are the Government doing about that?

Jesse Norman (Hereford and South Herefordshire) (Con): The hon. Gentleman is speaking eloquently about taxation. Could he just clarify whether, as a result of the firmly held views of the Scottish National party, the Scottish Government will be reducing taxes in the areas where they have tax control?

Stephen Flynn: I welcome that intervention from the former Minister. I have enjoyed our previous debates on all things financial. Let us reframe that discussion by looking at what we would do slightly differently in the case of spending. As he will be aware, he has been a member of a Government who are pleading that they do not have as much money as they should, at the same time as planning to spend in excess of £200 billion on nuclear weapons. He knows fine well that politics is about choices, and his choices differ drastically from the choices that we would like to make.

That is an important point, because it allows me to come full circle to my final topic, which is the situation in Scotland at this time—[*Interruption.*] I hear the Chief Secretary to the Treasury saying that the block grant has gone up, but he will be familiar with page 182 of the Red Book, which outlines that Scotland's budget is to be increased by 2.4%. I am sure he would acknowledge that that is well below the rate of inflation, and well below the spending increases across a whole host of reserved UK Government Departments. I think he should reflect on that before he chunters away from his position over there.

In Scotland, we have again been told we should be grateful about the block grant, despite the 2.4% increase. We are also told that £170 million towards the levelling-up fund is a remarkably good thing, for which we should be really grateful. In my part of Scotland alone, the Scottish Government are putting in place a £500 million just transition fund to ensure that we can make the journey to net zero without leaving communities behind. We asked the Chancellor to match fund it, but despite the fact that the Government have raked in more than £350 billion from our North sea oil and gas sector, they said no and ignored our plea for a mere £500 million. Of course, they did something much more damaging than that: they walked away from carbon capture and storage in the north-east of Scotland. [*Interruption.*] I hear Members saying, “Shame,” and it is exactly that—shame on the Government. They walked away from that billion-pound investment in the north-east of Scotland in 2015 and they have done the same again now. They have turned their back on the communities I represent and the needs of Scotland. We can do so, so much better, and we will do better when we have that opportunity to take our own future into our own hands. Let me tell Conservative Members that that day is coming faster than they dare think.

2.1 pm

Stephen Crabb (Preseli Pembrokeshire) (Con): It is a pleasure to be called on the final day of the Budget debate. I thought it was a good Budget; not only was it a

[*Stephen Crabb*]

responsible and appropriate response to the economic challenges created by the pandemic and the lockdowns, but it took major steps forward to tackle some of the longer term, more deep-seated issues that have at times held our economy back in recent years. It was a Budget that is good for the whole of the UK, and especially good for my constituency. I should start my remarks by thanking the Chancellor of the Exchequer and the Chief Secretary to the Treasury, who is in his place, for including the Haverfordwest town centre improvement project in the first round of successful bids to the levelling-up fund. The bid put together by Pembrokeshire County Council, with my support, seeks to use regeneration of Haverfordwest castle and the riverside area as a catalyst to bring new opportunities and activity into the historic heart of the town.

In welcoming that project, I wish to take a moment to say something about the horrific and tragic events that happened in Haverfordwest town centre on Saturday morning, when three paddleboarders lost their lives on the river. I pay tribute to the emergency services and the speed of their response, and I wish to put on record my sympathies for the families of the victims, who are still coming to terms with the enormity of what happened at the weekend.

The project, which has the potential to renew Haverfordwest town centre, is not about nostalgia and looking to recreate a time, long since passed, when the town centre was full of shops and shoppers on a Saturday. The levelling-up fund is not about turning the clock back. We cannot turn the clock back on enormous economic forces shaping our town centres and retail environment. The levelling-up fund is all about intelligent, targeted investment that, together with harnessing local effort and determination, can make a difference in our communities, recovering some of the economic activity and civic pride that we need in all the communities we represent.

Levelling up is a mission written into the DNA of this modern Conservative party, and a continuous thread that we see throughout the Budget. Some of the criticisms of the levelling-up fund that I have read in recent days from Opposition Members have staggered me. The cynicism and churlishness about the fund shown by some demonstrate that they neither understand nor support the vision of creating a fairer economy throughout the whole country; nor do they understand this Government's scale of ambition in terms of making a success and a reality of levelling up.

Levelling up is also about tackling poverty in this country—it has to be. If we look at the way deprivation and poverty are spread unevenly across this country, we see that levelling up has to mean tackling poverty as well. Our Government rightly emphasise the role of work and employment in tackling poverty, with work as a route out of a poverty, creating sustainable pathways to improving life chances. That approach is absolutely correct, so of course I welcome the enormous steps taken by the Chancellor in this Budget, including increasing the minimum wage, boosting the universal credit work allowance, and significantly cutting the UC withdrawal rate—the money people lose from benefit withdrawals when they move from unemployment into work. Together, those measures really improve the attractiveness of work

in our economy; they strengthen the incentives for unemployed people to find work, and for people already in work to increase their hours and improve their earnings.

We have more than 1 million job vacancies in our economy, with employers in every one of our constituencies telling us that they need more staff and asking where they can hire them. With the tight labour market and the improvements to work incentives that the Chancellor has led with in his Budget, we have the best opportunity in more than a generation to really make a difference in tackling long-term unemployment in this country. About 350,000 people are long-term unemployed, and this is a great opportunity to reduce the number of children growing up in long-term workless homes. Almost 1 million children are growing up in a home where nobody goes out to work and brings home a wage. In the current circumstances, we have a great opportunity to make better efforts to reach those who are furthest from the labour market and put them on a pathway to sustainable employment. I am thinking about disabled people, lone parents, and others with caring responsibilities, many of whom want to work and to take on more hours. We have a good opportunity, if we can join up some of the initiatives in government, to really make a difference.

Of course, our Government are rightly emphasising that the days of relying on a continuous stream of migrant labour, particularly for lower-skilled positions, are over. I am open-minded about people coming to this country, bringing their talents and work ethic, but given the changes that have happened post Brexit, we are in a new reality where there will be less migrant labour, so we have to find more workers from within our own potential workforce. The imperative is on the Government to make progress in improving the disabled employment rate and helping more lone parents and those with caring responsibilities into work. This is not an option any longer; it is imperative that we do it. The measures taken in the Budget provide important tools to help do it.

I welcome the Government's recognition of the role of social security in supporting people into work. The last time we debated UC in this Chamber, on 15 September, we were debating the removal of the £20 uplift. I concluded my remarks by saying that we could not leave the issue at that point, and that we would need to come back to it and make further changes, so I am pleased that the Government have done some fresh thinking on UC and made these changes, which are absolutely welcome.

I say gently to my Front-Bench colleagues that a strategy for employment and work is not exactly the same thing as a strategy for tackling poverty. With the shadow of inflation hanging over the economy and many families on low incomes having to bear increasing living costs through this autumn and winter and into next year, we must have an honest discussion about the adequacy of welfare in this country. The £20 uplift brought in at the start of the pandemic was kind of an admission that basic levels of working-age benefits were too low. The measures we have more recently introduced to support families on the lowest incomes, and the moneys to be distributed via local authorities, are also kind of an admission that levels of welfare, particularly for working-age people, are too low. We have to come back and discuss that further, because the changes announced in the Budget do not cover everybody who

was on UC. I will finish my remarks there, Mr Deputy Speaker. I am grateful to have been given time in the Chamber to make them.

2.9 pm

Peter Dowd (Bootle) (Lab): Mr Deputy Speaker, in the light of the point of order from a Government Member earlier, which I thought was rather churlish, will you pass on my thanks to the Speaker, your fellow Deputy Speakers, the House of Commons Commission and the House staff for all their help and support, and the safety in which they keep us in the House?

Bootle is one of the most deprived towns in England and has five super-output areas in the lowest 1%, so how can it be right that our levelling-up fund bid has been rejected? In the light of that type of Government approach, it is becoming apparent that the Chancellor's financial statement was pretty shallow and a sort of economic whistling in the dark. Inflation is on the rise; interest rates are on the rise; taxes are on the rise; the deficit is on the rise; the national debt is on the rise; inequality is on the rise; billionaire incomes are on the rise; profits from dodgy covid deals are on the rise; covid infections are on the rise—the Chancellor is taking the rise.

The Chancellor's statement came three months after the Prime Minister's levelling-up speech, in which he committed to working

“double hard to overturn...inequalities”—

inequalities that the Prime Minister and other Tory Governments have exacerbated. I am afraid the Prime Minister working “double hard” does not fill me with much confidence: 100% of nothing multiplied by two is still nothing.

What about the Government's fiscal rules? They have missed so many targets that they have stopped counting. On 18 October, the Institute for Fiscal Studies said:

“There are currently no active fiscal rules in the UK. The fiscal rules adopted in the 2019 manifesto were abandoned just four months later with the onset of the Covid pandemic.”

The Chancellor did announce some fiscal rules, but they are unlikely to be met, like those of other Tory Chancellors, although hope does spring eternal.

How about the national debt? In May 2010, the Tories inherited a national debt of just over £1 trillion, or 63.2% of GDP; in August 2019, it had gone up by three quarters to £1.7 trillion, or 78.4% of GDP; in February 2021, just pre-covid, it had gone up again to £1.784 trillion, or 81.9% of GDP; and by September 2021, it was at £2.218 trillion, or 95.5% of GDP. So the Tories have added £16,000 for every man, woman and child in this country. That is why—to respond to the question from the hon. Member for Warrington South (Andy Carter)—you cannot trust the Tories with the economy. The party of fiscal rectitude has more than doubled the national debt in just a decade—more wrecked than rectitude.

Jesse Norman: Will the hon. Gentleman remind the House what the national debt as a percentage of GDP was in 1997 and then what it was when the financial crisis—to which Labour had allowed the country to become enormously overexposed through increased debt in the banking sector—had struck? I will tell him: it went from 46% to 84% while Labour was in government.

Peter Dowd: As the phrase goes, I will take no lectures from the right hon. Gentleman, who served on the Treasury Bench while I served on the Opposition Front Bench. He was there when the OBR confirmed that the UK was suffering the slowest recovery of any major advanced economy, with GDP at the end of this year further below 2019 levels. That was on his watch. The Prime Minister and the Chancellor do not have the self-awareness to acknowledge it, saying it is everybody else's fault, as the right hon. Gentleman just repeated. The blame game starts and there are the usual tactics of diversion.

What is the latest diversion? Well, unlike Nelson, the Prime Minister sees ships everywhere—preferably French ones. “Vive la France!” he whispers under his breath. What about his handling of the pandemic? The time is not right, he says, to hold anyone—that is, him—to account through a public inquiry, as he needs to get on sorting out the pandemic, yet in the middle of that pandemic he initiates a major reorganisation of the NHS, so clinical and support staff, who are under huge stress, are being distracted from the real job at hand. That is the perversity of this Government.

The Prime Minister seems to forget that, in cahoots with the Chancellor, he implemented a massive cut to aid to the poorest nations during a pandemic. So much for global Britain.

How are the Government going to sort out the country's economic travails? Another slogan will help out: levelling up. I am not sure whether the Prime Minister shared the levelling-up speech with the Chancellor; if he did, the Chancellor obviously did not bother to read it. In fact, I am not even convinced that the Prime Minister bothered to read it before he delivered it. In his levelling-up speech in July this year, the Prime Minister referred to the scale of the task that faced the German nation on reunification. Does he know the scale of the problem in this country? The Germans actually did something about it: they invested over decades. I suggest that the Prime Minister checks out what they did. Rumour has it—it is a rumour—that he is not a details person, but on this occasion he may want to make an exception.

If the Prime Minister is going to mention German reunification, he would be well advised to look at the scale of the intervention that was undertaken. The Centre For Cities analysed what putting the words of his levelling-up speech into action might mean. The analysis was entitled “What can German reunification teach the UK about levelling up?”; the answer, as it happens, is a great deal. The cost of this scale of levelling up would be at least £1.7 trillion today, which is around 75% of a year's UK GDP. Closing the north-south divide would cost hundreds of billions of pounds over decades, if done properly. The Government have come nowhere near that level of investment or commitment.

England's biggest cities, including Birmingham, Manchester and Leeds, have the lowest productivity and life expectancy in western Europe—on the Prime Minister and the Chancellor's watch. In Liverpool, life expectancy is four years below the European average. All major cities outside London are at the bottom of the western European league table for productivity, after 10 years of Tory control. The evidence of social and economic inequity across the country in terms of health, education, region, environment, cities, towns, countryside, age and gender is there for all to see.

[Peter Dowd]

What is depressing is the insouciant—there's the French again—attitude of the Chancellor to it all. The scale of the task that faces the country is in inverse proportion to the Chancellor's lack of action. In sum, on the bridge, the Prime Minister sees ships everywhere; meanwhile, below decks, the Chancellor is scuttling HMS UK.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): I remind everybody to keep speeches to round about the six-minute mark; otherwise, I will have to impose a time limit.

2.18 pm

Sir Edward Leigh (Gainsborough) (Con): I hope the House will forgive me if I do not follow the hon. Member for Bootle (Peter Dowd) in being relentlessly partisan. We are dealing with enormously complex issues.

I listened to the Chancellor's peroration—his hymn of praise to a low-tax, deregulated economy—and it brought a tear to the eye of a weary Thatcherite. But having sat through 50 Budgets, because there are sometimes two a year, and having listened to so many Labour and Conservative Chancellors, I know that, when one reads the small print the next day, one tends to find that the Chancellor has taken by stealth what he has given publicly.

I know that we face one of the greatest challenges in our history, with the pandemic, but the truth is that we are now taxing people higher than at any level since the Attlee Government. As we pursue levelling up, are we going to bring in ration cards on eggs and meat, as the Attlee Government did? I am looking now at the Chief Secretary to the Treasury, who I hope is listening to every word I am saying. We are—to quote the Prime Minister in another context—at “one minute to midnight” in terms of our future as a tax-cutting Government. With mortgages going up, inflation going up, and a £3,000 increase per household to fund £150 billion of spending, soon we will be paying £1 trillion in tax. Who will pay for this? It will be the people who elect us Conservative MPs and middle earners in middle Britain. Even beer will go up. Inflation may be up to 5% next year, putting at risk the forecasts of the Chancellor. We are breaking the triple lock on pensions, which I think is probably necessary, which might result in another £30 billion being taken out of the hands of pensioners over the next two decades.

On inheritance tax, we are freezing the band, so more and more people with modest homes are being brought into inheritance tax. On the health and social care levy, we might be taking up to £85 billion off older people. With the fiscal drag on income tax, we are bringing another million people into the higher tax level—and this is a Conservative Government. This is what the Chief Secretary to the Treasury must do: every time his colleagues beg him for more money for this and more money for that, he has to say no.

We should bear in mind what happened in 1945. The coalition Government during the war were the highest-taxing Government in history and the most regulating Government in history—we regulated people's private lives more than we have ever done in the past 70 years, including during the pandemic. What was the result? It was a Labour Government. People looked at the coalition Government and they turned to what they thought

would be the real McCoy, namely, a Labour Government. So get a grip. I know that we have these challenges. I probably could not do any better, but we have to get a grip now.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): Will the right hon. Gentleman give way?

Sir Edward Leigh: No, because I am only allowed six minutes.

I use the NHS. I do not have private health insurance. I do not use private health. I rely totally on the NHS. Fantastic care has been given to me by nurses and doctors, but it is a bottomless pit. The more we increase funding of the NHS above inflation, the lower the productivity. We saw that in the Labour Government under Blair and Brown and it is happening now. We are even seeing it now with GPs quite disgracefully refusing to see people. So we must grip the NHS. We heard the Education Secretary half an hour ago. His own budget now is being squeezed because of the huge increases in health spending. If we are to match the Chancellor's wonderful peroration to create a low-tax, deregulated economy, the most important Minister from now on is the procurement Minister—the Minister who has the courage to say no.

I do not wish to sound relentlessly critical. I do not pretend that any of us could do any better, but we have to be honest and true to our Conservative instincts and tell people that they should not always rely on the state. We should help them to get out of the clutches of the state. To tackle health spending and to relieve pressure on the NHS, the Major Government allowed people of pensionable age to claim tax relief on private health insurance. That was fiercely opposed by the Labour Government. Mr Major is hardly a right-wing extremist. He was prepared to do it. He was prepared to take millions out of relying on the NHS by giving tax relief. It was a bold Conservative idea to wean people off the state.

Why are we a property-owning democracy? It is because, for many years, we gave tax relief on people's mortgages. Families who before could only leave a few sticks of furniture to their children became property owners. As they became property owners, they became Conservatives. That is why these planning reforms are so important. That is why it is important for my children, who are in their 20s and 30s, to be allowed to get on the property ladder. By easing planning controls, we can build more and get people on the property ladder. That is a true Conservative idea. We have to have the courage to propel that view forward, whatever people might argue from a nimby point of view. I am probably as good a nimby as anyone else. We are all nimbys when it comes to our personal lives and people who want to build around us, but we have to build more. We have to help our young people—a strong Conservative idea.

Look at our tax system. We have the longest tax code in the world after India. Look at the poisoned chalice that Gordon Brown left us in the 45% tax increase. We have never had the courage to get rid of that. People are driving themselves up companies and creating wealth, but instead of flattening out taxes, which is what Nigel Lawson did, we have not yet had the courage to get rid of that higher tax burden.

When it comes to levelling up, Gainsborough South West ward is the 27th most deprived ward in the country. I am very proud of the fact that we have achieved some levelling-up funds, but the process was directed not at endless schemes or at consultants, but just at infrastructure—on repairing the historic houses in the marketplace, which is something that we could control.

As I end my speech and obey your summons, Mr Deputy Speaker, to speak for fewer than six minutes, let me say to the Chief Secretary to the Treasury: be bold, be Conservative and get people out of the clutches of the state.

2.25 pm

Imran Hussain (Bradford East) (Lab): In recent weeks, the Chancellor has been promising us a Budget that would look to the future, a Budget that would reshape our economy and a Budget that would level up our left-behind communities. Working people across the country hoped for action that would tackle the growing cost of living that they face each day, but what we got last Wednesday was a Budget without the vision and imagination to tackle the challenges that we face in society. We got a Budget that is stuck in the past, unable to confront the realities of the future, and a Budget that perpetuates an economy that serves the richest, while trampling over the poorest, which proves that, under this Government, levelling up is just a slogan and words, not real action.

Bradford is one of the most deprived areas and it is in the most desperate need of levelling up. All it really got from this Budget was a new sports and enterprise centre on Squire Lane, which is a project that was brought forward, developed and signed off by me years ago when I was deputy leader of the council. It was signed off and brought about to tackle the rampant health inequalities in our city, but it was starved of funds and never built because of a decade of Government austerity.

While this Government today tell us that, in Bradford, they are levelling up and giving us much-needed money for the new sports and enterprise centre, which, of course, is very welcome, the reality remains that, if they had not made the ideological austerity cuts over the last decade that devastated councils such as Bradford, we would have been able to fund this ourselves a decade ago. So I am not going to take Conservative Members telling me that they have done a huge favour on Bradford, levelled up and tackled poverty and the real issues that we face in the district.

In the time that this Government have taken to provide funds for that centre, the inequalities—particularly health inequalities—faced by those in Bradford have only grown. The life expectancy of someone living in Bradford is almost 10 years lower than in other parts of the country. Let us take a moment to look at that. If a person lives in certain parts of the Bradford district, they are likely to live 10 years less than if they lived in a leafy suburb away from Bradford. I ask Conservative Members: what does this Budget do to address health inequalities in Bradford? What does the Budget do to address the fact that up to 40% of children in my constituency will again today be denied a hot meal? What does this Budget do to address the fact that working families in my constituency will continue to use food banks? Those are the questions. It is easy to get caught up in statistics, but the reality remains that this

Budget will do nothing to address those real issues in my constituency, which means that we now have to go even further and present new initiatives to tackle the widening inequalities in our society.

Ultimately, this Budget came nowhere close to what people in Bradford need. Throughout the Chancellor's 100-page Red Book, there was no commitment to reverse the cruel cut to universal credit that will take £1,000 a year out of the pockets of some of the poorest in Bradford. There was no plan to tackle the rapid decline of Bradford's high street by reforming and replacing an outdated business rates system that penalises small, family-run businesses to satisfy the greed of large multinationals. There was no pledge to deliver Northern Powerhouse Rail, which will run from Manchester to Leeds, through a station in Bradford city centre that would draw investment into our region and act as a firm symbol of levelling up.

Even the end of a public sector pay freeze to tackle the cost of living crisis failed to acknowledge that it was this Government and their decade-long pay restraint that created a cost of living crisis for those working in the public sector in Bradford. Although investment in education and healthcare is welcome, it will fail to make up for a decade of austerity, cuts and underinvestment that has created so much pain and misery for so many across the district.

As is so often the case under this Government, the cost of the Budget's failures will fall on the shoulders not of the Chancellor or his constituents, but of my constituents in Bradford and other places like my constituency. It is in the pockets of people in Bradford that the cost of living is being felt the most. It is my constituents—on wages lower than the national average and employed on insecure contracts—who will be hit hardest by rising food prices, spiralling energy bills, and soaring rents and mortgages, only to be hit again by tax rises that mean that households will be paying £3,000 more in tax in the next five years than when this Prime Minister took office.

Time does not permit me to go on, and I want to be fair to colleagues. The fact is that the only people levelled up by this Budget are the millionaire bankers sipping champagne on their short-haul flights. The clear conclusion is that, just as we have seen every year under this Tory Government, this is a Budget by the rich for the rich.

2.32 pm

Jesse Norman (Hereford and South Herefordshire) (Con): I very much welcome this Budget and spending review. Were the Chief Secretary to the Treasury, my right hon. Friend the Member for Middlesbrough South and East Cleveland (Mr Clarke), in his seat, I would be able to extend to him my warm congratulations, as I do to his new Treasury colleague, the Exchequer Secretary to the Treasury, my hon. Friend the Member for Faversham and Mid Kent (Helen Whately), on taking their places in such a fine Department and at such a difficult moment. To have delivered a spending review as a new Chief Secretary is a phenomenal achievement. I congratulate him, as I congratulate the Chancellor, on that.

Among the many good measures in the spending review and the Budget, I particularly single out—as many colleagues across the Government Benches have—the rise in the national living wage, the reduction in the

[Jesse Norman]

universal credit taper rate, and the great emphasis placed on education and skills as the key to levelling up. I remind all colleagues, who will know this—none more so than my right hon. Friend the Member for Harlow (Robert Halfon), the Chair of the Education Committee—that education and skills are at the core of all the regeneration that we have seen over the years, not just in this country, but around the world. Education and skills, even more so than infrastructure, are positively correlated with economic growth and development, so I very much welcome their inclusion.

There is one area where I do have a concern that the Budget and spending review do not go far enough. It may appear to be a parochial constituency interest of mine, but it is actually an issue of national importance: the plans for which we requested support regarding the River Wye. The River Wye is a priceless national asset. Many Members of the House will have visited it in Wales and in Herefordshire, and seen its flow all the way down to the Severn. They will have seen this extraordinary national asset and its impact locally—not just its environmental richness, but the strength that it brings to tourism and economic development, and its central place in the nation's cultural history.

It is easily forgotten that the idea of the picturesque—indeed, the idea of domestic tourism in this country—comes from visits to the Wye valley taken at the end of the 18th century, most notably by Admiral Nelson. That was what put the idea of tourism and the picturesque on the map, and that is the historic reason why the Wye is so central to the way in which we understand ourselves as regards the natural environment and our countryside.

As the Wye winds its way through Hay to the west of my constituency, through Hereford—which is right at the centre of it, of course, economically and culturally—and down to Ross-on-Wye, this priceless asset is being undermined by dreadful phosphate pollution. We must be perfectly clear that it is being undermined by sewage discharges, which have been discussed in the House, but also by significant levels of embedded phosphate—that is, animal waste on fields that has run off. We do not know the full scale of the issue. The best estimates appear to be that about 65% of the problem is embedded phosphate, 25% is discharge, and there is a further component because of the recent impact of chicken litter.

We need to know the answers to those issues and have a plan that addresses them, and that plan—uniquely, I think, for major rivers in this country—needs to operate across the border, because a large chunk of the River Wye is in Wales. One point that has struck me most clearly when campaigning on this issue over the last year and a half has been in the way in which the agencies—Natural Resources Wales, Natural England and the Environment Agency—have not been adequately talking to each other. We therefore put to the Chief Secretary, and ultimately to the Department for Environment, Food and Rural Affairs and the Department for Levelling Up, Housing and Communities, the idea of a cross-border, cross-agency, single strategy that is focused on a long-term approach to addressing the issue of phosphate pollution in the Wye.

The idea is a priceless opportunity for this country and the Government. At relatively little cost—through a degree of investment in measuring and enforcement;

through a degree of constructive thinking about the long-term regulatory environment in which water discharges are to be managed along the Wye valley basin; and, of course, through the recruitment of citizen energies, which are already active and vigorous up and down the Wye—a great opportunity exists to bring these different resources together in a single, co-ordinated plan that is led by the Government, with the support of the Welsh Government, which I am afraid has been conspicuously lacking on the issue so far. That gives us a national opportunity to bring an end to this scourge of pollution and to restore this priceless, gorgeous, wonderful natural asset to its pristine glory.

2.38 pm

Marsha De Cordova (Battersea) (Lab): Last week's Budget shows just how out of touch this Government are with reality. They are completely out of step with the needs of the British people, our public services and our planet. The decisions made by this Government have let shortages and prices go out of control: gas bills are up, petrol prices are up and food costs are up. There is no doubt that many people across the country will be beginning to feel the pinch. By 2026-27, households will pay £3,000 more tax than when the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) became Prime Minister.

The Chancellor has repeatedly compared his Budget investment to that of the last decade, but no amount of levelling up or building back better can disguise the reality. While 6 million families were hit by the cut to universal credit, including 8,500 families in Battersea, less than a third will benefit from the taper reduction, leaving millions of people, including families with children and disabled people, without support and risking them being pushed further into poverty.

After 11 years of cuts and underinvestment in early years services, and the closure of over 1,000 children's centres, the announcement of family hubs is a far cry from what is needed and does not match the offer of the Sure Start centres under the last Labour Government. The investment in youth services is a fraction of the cuts of the past decade. According to the National Youth Agency, an estimated £1 billion less is being spent on our youth services. I pay tribute to some of the amazing youth organisations in my constituency, such as Providence House, FAST, Devas Club, Caius House and Carney's Community, who are doing a formidable thing by providing vital support to our young people in Battersea.

This Budget does nothing to address the £573 million gap in funding for disabled children's social care services. Why is that? Hidden in the small print of the Budget is the revelation that the health and disability Green Paper will cut £70 million in funding for disability support by 2024-25. The Budget failed to mention the level of capital funding for the disabled facilities grant. Given that this grant plays such a vital role in helping disabled people to adapt their homes to live independently, will the Minister say why that is the case? I can only conclude that, yet again, this Budget is a missed opportunity for disabled people. It failed to address the shortfall in social care funding, to invest in disabled people's economic opportunities or to ensure that the social security system works as it should—as a safety net for those people who need it. So much for the Government's so-called vision for transforming the everyday lives of disabled people: I think not.

The Government have dragged their feet in addressing the cladding crisis. The new 4% levy on developers' profits to help to fund cladding removal will still leave thousands of blameless leaseholders to foot a large majority of the costs. The levy charged on developers making over £25 billion in profit is not a viable solution. We need action, now. We need the Government to get serious about tackling this crisis, now.

Ultimately this Budget failed to invest in tackling the issues that matter: structural inequalities, a supply chain crisis, unsafe homes, in-work poverty, a cost of living crisis and a climate emergency that is inching closer and closer towards the doorstep of each and every one of us—and No. 10 will not be spared. The Chancellor said he wanted to build a new economy coming out of this crisis, but if he was serious about that, we would have a Budget that prioritised people, prioritised our public services, and looked after the planet for generations to come.

2.43 pm

Andy Carter (Warrington South) (Con): I commend the opening comments of my right hon. Friend the Education Secretary, particularly the emphasis he placed on skills and education, because that is our route to levelling up. I also pay tribute to the Chancellor and the entire Treasury team for the work they did to deliver the Budget last Wednesday.

We need to recognise the news that the economy is growing much faster than anybody predicted, and much faster than any other G7 country. Looking back 12 months, everybody in this House had a genuine fear about an unemployment crisis. Certainly the models were predicting a very difficult period. While we should not underestimate the challenges that many families still face, it is absolutely clear that those predictions have not come to pass. Unemployment appears to be peaking at much lower levels, largely owing to the actions taken by this Government and my right hon. Friend the Chancellor. I congratulate him on the work that he did around the furlough scheme to ensure that businesses could support their employees through that incredibly difficult time.

In general, I welcome many of the measures that the Chancellor introduced last week—in particular, the tapering of universal credit. I am also very pleased to see the national living wage being increased to £9.50 an hour, thereby, as he said, putting about £1,000 into the pockets of the lowest paid. It is good news to see the public sector pay freeze being lifted as well.

As a Member of Parliament in the north-east representing the brilliant people of Warrington South, I was very glad to see many of the announcements that will relate to the levelling-up agenda in my part of the country. Levelling up is not just about bricks and mortar; it is also about our public services and how they are delivered and setting higher standards for local communities that have been ignored for too long. It is about ensuring that opportunity is spread equally around the UK, giving people the chance to realise their full potential, no matter where they come from, without having to travel to the south-east.

Talking of travel and transportation, improving transport links locally has a massive part to play in levelling up. If people cannot get to a job, it is impossible to tackle the underlying issues around unemployment. I welcome the decision to freeze fuel duty and to invest in public transport. I was struck by a conversation I had with a

gentleman called Patrick in Stockton Heath in my constituency. He is a pensioner who had given up using his car and wanted to spend a night out in a village enjoying some craft beers, but because he lives outside the big city, the last bus ran at 7 o'clock in the evening, so having arrived at the pub he could not get home and ended up spending far more on a taxi than he spent drinking that craft beer. Whereas buses run 24/7 in cities around the country such as London, Manchester and Leeds, far too often in towns such as Warrington they switch off and stop running at 7 o'clock in the evening—and it is nigh on impossible to travel outside of Warrington, from Warrington to Altrincham or Warrington to Leigh. So the announcement that Warrington is to get a £20 million all-electric bus fleet, run by Warrington's Own Buses, is of huge benefit to the town and something I really welcome. On top of that, the Government have funded a new electric bus depot at a cost of £5 million. We will be one of the first areas in the north of England to get a totally electric bus fleet, with 120 new buses being phased in over the coming year, replacing the current diesel fleet. That will benefit the environment and improve public transport options for working people, as well as reducing the cost of running the buses, which means that more can be invested into services across our town.

In terms of skills and education, and delivering public services for the future, I very much welcome the continued focus on investing in training and apprenticeships for young people. There is a need to invest in digital and cyber, in health and social care and in advanced engineering and nuclear technology, which are key for my local economy in Warrington but also across the UK. I am pleased that schools such as the university technical college in Warrington are working closely with employers such as Sellafield, Cavendish Nuclear, BAE, Rolls-Royce and the NHS to ensure that young people's training is preparing them for the workplace of the future. I am also pleased to see the commitment to a new UK global talent network to work with research institutes and businesses to identify and attract the best global talent in key science and tech sectors that are rapidly growing in my constituency and across the north-west.

We have seen significant additional funding to help our public services in the fight against the pandemic, and the vaccine roll-out has been nothing other than phenomenal, with more money going into our booster jabs programme. Looking forward, we are also making investment in the NHS that provides a cash increase of £33.9 billion for 2023-24 and continues with our programme of hospital rebuilds. Warrington has recently submitted an excellent application for one of the eight additional new hospitals being built, and I look forward to a decision on that project being made in early 2022.

I welcome the decision to support small businesses. The temporary 50% cut in their business rates, up to a maximum of £110,000 a year, will make a difference to local businesses on my high street. In addition, the decision to scrap 2022's planned annual increase in rates for all firms for the second year in a row is very welcome, but I urge my right hon. Friend the Chancellor to look carefully at a complete revision of the business rates system. We are faced with incredible challenges on the high street, and we need to support SMEs as they help the economy recover. We are delivering on a central mission of levelling up for every single person, no matter their background and no matter their circumstances.

[*Andy Carter*]

It is the right Budget at the right time in our economic cycle, and I congratulate the Chancellor on the work he is doing to take this country forward and on levelling up.

Mr Deputy Speaker (Mr Nigel Evans): I just remind everyone that if they take part in today's debate, they will be expected to be here for the wind-ups.

2.50 pm

Clive Lewis (Norwich South) (Lab): One of my favourite quotes of all time is from Henry Kissinger to, I think, the US press corps. He said:

"Does anyone have any questions for my answers?"

That has always tickled me. I looked at the Budget headings, and I wondered, "Do the Government have a Budget debate heading for my speech?" Unfortunately, they do on public services.

Sometimes in a debate, it is important that we try to get to the detail and the truth, if you will, of the matter. In this one, the issue is public services. My first point is one that has been discussed before, and I will discuss it again briefly: this is not a massive investment in our public services, relatively speaking. It does not even catch up with the past decade of austerity, and I will talk about that in a bit more detail. The other thing, though, is that spending is not being funnelled entirely into the public sector. Increasingly, it is being funnelled into the private sector, and from there it is going offshore and elsewhere, and I want to look into that as well, because I am suspicious about this Government's new-found devotion to investment in public spending. I think there is something behind it that we need to look into.

The overall picture is that this is not a reversal of the deep cuts of the past decade. The Resolution Foundation has said that

"only one-third of the cuts to real day-to-day spending per-capita in unprotected departments since 2009-10 will have been reversed by the middle of the decade."

Let us take for example the NHS, which this Government have made a great song and dance about. The British Medical Association has said that the previously announced £10 billion is not fully adequate to deal with the still-growing backlog of care. The Health Foundation has said that £17 billion is needed to clear the backlog. What do we get? Ten billion. That is a shortfall of £7 billion. We have the sheer brass neck of the Government telling the people of this country, "Look what we are doing. Look what we are spending", but in relative spending terms, they are taking away from the public realm. We on the Opposition Benches know that, but I am not sure whether some of the Government Members understand that or believe or know what this Government have actually done.

Let us look at the NHS, because one thing I want to talk about is where the money is going. We know that the Health and Care Bill will increasingly privatise decision making on where NHS resources go. Increasingly, if corporations and big business are deciding where the tens of billions of pounds are going, you can bet your bottom dollar they will be going to the corporations, the private sector and shareholders and not being reinvested in public services. There is an issue here, which is democracy within our public services.

Let us take social care, for example. Some 83% of care home beds are owned by the private sector. If money was being reinvested into care beds and paying staff decent wages, I could understand why that was happening, but it is not. We know what is happening to vast amounts of money, which is going from the public purse into these so-called public services that are being run by vulture capitalism. The money is being sucked out and going to shareholders and offshore. That is where the money is increasingly going, and that is why this Government are so keen to spend billions of pounds handing out money to their friends who then recycle it and invest in the Conservative party. That is what is happening.

Let us look at the energy system, which is critical given what is going on up in Glasgow at the moment. Analysis by Common Wealth on the diversion of wealth from public to private has shown that, in the past five years, just under £10 billion in dividends has been paid to shareholders in the big six. That is six times larger than their tax payments of £1.52 billion. It found that "the average firm within the Big Six has, over the past ten years, awarded their highest paid director almost fifty times the pay of the average worker in the company, and forty-five times the average income in the past five years."

No wonder those on the Government Benches are so keen, after 10 years of austerity, to start pumping money to their friends in the big six and beyond.

Let us have a look at the Environment Agency. We know that it has said that there were 400,000 raw sewage discharges into coastal waters and rivers in England last year from private water companies. That is a tidal wave of turds that has splashed across this country on this Government's watch. Professor David Hall from Greenwich University has said:

"Since privatisation companies have given out almost half as much for shareholders as they spent on upgrading and maintaining water and sewerage systems...£57 billion compared to £132 billion."

This Government have the brass neck to tell this country that we cannot expect the privatised water companies to invest in a Victorian sewage system because they cannot afford it, but they can afford to give £60 billion of public money to their shareholders. Those on the Government Benches know that. No other country allows private companies to own and run regional water and sanitation systems. That is a fact.

While the Government talk about spending more on public services—we know that relatively speaking they have not, but when they do spend more, increasingly they are not public services as we on the Opposition Benches would recognise them, but public services run by and for private corporations that siphon off vast amounts of public wealth into their own bank accounts and coffers. I will conclude by saying that the answer is quite simple. When we on the Opposition Benches talk about public services, we are talking about universal basic services that are democratically controlled and owned and transparent and accountable to the people of this country who pay for them. That is the difference.

2.56 pm

Robert Halfon (Harlow) (Con): I strongly welcome this Budget. We should acknowledge that over the past 18 months, this country has faced a national emergency comparable only to the outbreak of the second world war. We have already spent £407 billion supporting

schools, businesses and industries in my constituency and across the country to tackle the impacts of the covid-19 pandemic, without which we would have had destitution on the streets. I recognise the economic and financial challenges that the Government are facing. We have a national debt of over £2.2 trillion, equivalent to around 100% of our gross domestic product. That is why the Government are doing everything possible to square the circle in terms of spending on public services and dealing with the deficit and debt. It is not an easy task.

My two passions in politics have always been championing education and skills, and cutting the cost of living. I support this Budget because despite the circumstances I have just set out, the Chancellor has tried to address both. This is a true worker's Budget in many ways, because there is a strong desire across the country to improve the cost of living and for low taxation. I previously supported the temporary £20 uplift to universal credit payments, but I genuinely think that the Chancellor's decision to decrease the universal credit taper rate and uplift the work allowance is a better solution in the long run, because it gets people out of the poverty trap and incentivises more people into work. That will both boost people's income and earnings and help reduce unemployment as we move into a high-productivity and skilled economy.

In addition, we have the £500 million invested in families and early years intervention, helping those who are struggling the most. We have the record 6.6% rise in the national living wage, which I campaigned hard for the Cameron Government to introduce, to £9.50. We have the fuel duty freeze—something I have campaigned for, probably to the annoyance of the Treasury—continuing for the twelfth year in a row, saving motorists £15 every time they fill up. That is what makes a difference to those who are just about managing. I hope that the Government will do much more to cut the cost of living. We should cut taxes for lower earners as soon as economic conditions allow and we should look at ways to further reduce energy bills. Cutting the cost of living must be the Government's central mission.

On education, the Budget's focus on skills, schools and families, as described by the Secretary of State for Education in his opening remarks, should be welcomed. Education and skills are the most important rung on the ladder of opportunity. They are the golden thread that tie together all our investments and our futures.

The outbreak of coronavirus was nothing short of a national disaster for our children. The four horsemen of the education apocalypse came galloping towards young people to create a widening attainment gap, worsening mental health issues, an ever-increasing number of safeguarding hazards, and a challenge to their skills development and life chances. We should never again fully close the schools in the way that we did.

The Budget showed a real recognition from the Chancellor and the Education Secretary that those challenges can be overcome through family hubs, the catch-up and education recovery funding, and the rocket-boosting of skills. Not much has been said today about the extra £2.6 billion of funding to strengthen the provision for children with special educational needs, but it is important and will be welcomed by parents across the country.

The lifetime skills guarantee announced last year created the blueprint for the skills funding package, which provides an extra £3 billion for T-levels and adult skills, among other things. That is a 42% increase in skills funding in cash terms, which will put vocational and technical education on a par with traditional academic learning and give financial teeth to the skills agenda.

Emma Hardy: Will the right hon. Gentleman give way?

Robert Halfon: I am always honoured to give way to—not to ruin her career—one of my favourite Labour Members.

Emma Hardy: Does the right hon. Gentleman, who I call my friend, agree that although the investment in T-levels is great, a transition pathway is needed if we are going to phase out BTECs and introduce T-levels?

Robert Halfon: I absolutely believe that BTECs should not go until T-levels have fully come on board. As a hard-working former member of the Education Committee, the hon. Lady will be pleased to know that I hope to question the Secretary of State about that subject tomorrow morning when he appears before the Committee.

As I have mentioned, the £2.6 billion of funding for children with special educational needs is extraordinary, but we need the urgent publication of the special educational needs review to move forward at light speed. Although lots has been done to provide the key components of a long-term plan for education, we are not there yet. The cogs have started to turn, but the machine is not yet as well oiled as it might be. We need a long-term plan for education and a secure funding settlement, just as the NHS and the Ministry of Defence have long-term plans and a secure funding settlement and a strategic review respectively.

As Members on both sides of the House know, I have long advocated the extension of the school day. The Education Endowment Foundation says that pupils can make two months' additional progress per year by extending the school day, or three months for disadvantaged pupils. Some 39% of academies founded pre-2010 have lengthened their school day, as I have seen done successfully by the NET Academies Trust in my constituency. The Department for Education and the Treasury should fund pilot projects, perhaps in some of the most disadvantaged areas of the country, to evaluate what the impact could be alongside the catch-up programme.

To conclude, I heartily welcome a Budget targeted towards skills, schools and families. I have been campaigning for more skills funding for a long time so I welcome what the Chancellor has done. It has been a difficult year and a half for all Members and for the constituencies we serve, but the steps outlined in the Budget will go a long way to support our nation's recovery as we try to level up and build back better.

3.4 pm

Yvonne Fovargue (Makerfield) (Lab): It has been a good Budget for Beatles fans with the Chancellor's £2 million for preliminary work on the Fab Four attraction on the Liverpool waterfront. But if it is "Here Comes the Sun" or "Good Day Sunshine" for them, it is more like "A Hard Day's Night" for the millions of ordinary people who have suffered greatly in the pandemic and can gain little comfort from the Budget, because it hit the less well off the hardest.

[Yvonne Fovargue]

We are not all in it together. The increased debt burden has disproportionately affected young people, disabled people, black, Asian and minority ethnic people and those who rent. More than 11 million people have built up £25 billion of arrears and debt to pay and 14 million people have suffered an income shock during the pandemic, with almost half turning to crisis borrowing for essential costs.

Those groups will also suffer disproportionately from rising prices, because they spend more of their income on essentials. The rise in wholesale energy prices, when it filters through to bills, will hit them particularly hard. For many this winter, it could come to a choice between putting food on the table or turning the heating on. Many advice agencies forecast that a huge rise in unmanageable debt is just around the corner.

There is some good news. I welcome the £65 million of rent arrears support, which might reduce the immediacy, but much more will be needed to turn the tide on the £360 million backlog of rent arrears built up during the pandemic. I welcome the increase in the national living wage and the improvement to the universal credit taper, but that does not do anything for people in receipt of universal credit who are out of work and looking for a job or for the 1.7 million people unable to work because of disability, health issues or caring responsibilities. About 5.8 million people are on universal credit, at least 2.5 million of whom will not benefit at all from the changes to the taper rate.

Lower-income households are still likely to be worse off than they were before the temporary uplift with the increased national insurance contributions looming for many households from next year. A local secondary school head in my constituency told me that last Christmas, they did not give hampers but paid for a week's essential shopping for struggling parents. This year, they are doing the same but are having to budget for double the amount of recipients. Those are parents in many different circumstances—some are working full time, some are sick and some are disabled—but what they have in common is that they are struggling to pay their bills and put food on the table.

Much more needs to be done if our poorest families are not to face a bleak future. We need to revisit social security levels to ensure that the system is truly a safety net. People on universal credit were struggling even with the uplift. We need a major rethink of the basic level of benefits, and we need to ensure that deductions from benefits are affordable and do not undermine claimants' ability to meet their basic costs.

We need to look at the move towards decarbonisation, which will create additional problems for people in low-income groups, who will struggle to meet the inevitable higher costs without help. Net zero should be seen as an opportunity to help the poorest. As the Resolution Foundation said:

"Reducing the number of families living in fuel poverty should be the lens through which the Government addresses both the immediate gas price crisis, and future plans to decarbonise our homes as part of the UK's net-zero transition."

In practice, that means more direct help with energy bills beyond the warm home discount and the cap, including backing a social tariff that is linked to income, so that no one pays more than a percentage of their disposable income on energy.

The pandemic made the lives of the less well off in our country worse. More people are struggling to pay bills and are building up personal debt, none of which is their fault. The Budget was an opportunity to ensure that all people are better able to recover and place their finances on a sustainable footing, and to tackle the poverty premium. It lacks the vision or the policies to deliver that.

3.9 pm

Ben Bradley (Mansfield) (Con): I welcome the opportunity to speak in the debate and endorse everything said by my right hon. Friend the Member for Harlow (Robert Halfon) about schools and education. On those issues, he is always bang-on. Since the Budget, I have had positive conversations in particular on the transition between BTECs and T-levels that I hope will be reflected by the Secretary of State's comments tomorrow. There are many opportunities there.

I welcome the many positive announcements in the Budget, which has been largely well received by residents. It set a good and clear direction to help take the country forward post covid. In particular, I welcome the business support measures, business rates cuts, changes to alcohol duties, the freeze on fuel duty and other measures that will impact on the cost of living and support businesses to grow and innovate. At some stage, we will have to reform business rates fundamentally. The measures announced in the Budget are positive and will support businesses—high street businesses in particular—but business rates are not fit for purpose. I had positive conversations last week on that with the Financial Secretary to the Treasury, and I understand that a review is to take place. I look forward to seeing that in due course.

I also welcome the personal support for the lowest paid, with a £1,000 pay rise and a tax cut for working people on universal credit. The average wage packet in Mansfield is way below the national average, and thousands of people will benefit from those changes. I am grateful for those announcements.

I welcome the significant capital commitments on transport and infrastructure, although I am slightly concerned that it seems that only areas with combined authorities and devolution deals are eligible to get the best of that support. We have some positive announcements for Nottinghamshire: Mansfield will submit a bid for the next round of the levelling-up fund, as will Nottinghamshire County Council, and we look forward to positive news, hopefully. There was a huge multibillion pound investment in devolved mayoral authorities. However, the east midlands does not have that, so the area that historically has had the lowest level of investment misses out.

Do not get me wrong—I am not moaning. I think that passing powers down to local level and giving capital funds to accountable local leaders is a good thing. If I do have a moan, it is that we do not have one, and we want one in Nottinghamshire. We have a plan for that, and I want the Government to get on and give Nottinghamshire a county deal so that we too can benefit from such support. I remind Ministers of the fantastic levelling-up package that the east midlands offers with our freeport, our development corporation and our huge plans around Toton supported by the integrated rail plan. Altogether, that is more than 100,000 jobs and £5 billion in gross value added. The plan exists

and is all on track, and a devolution deal for Nottingham—which, by the way, is a bigger geography than the Tees Valley Combined Authority or the Cambridgeshire and Peterborough Combined Authority—would give us huge economic clout. It is a chance to invest for us, to get on a par with other parts of the country. We want a deal, we have the unanimous support of local leaders who have all made significant resource commitments for that, and we have a plan to deliver better public services. I will keep banging on about it until we get one—I am sure that Ministers will indulge me.

I turn to public services, which are the theme of the debate. There was positive news in the Budget, with £4.8 billion in grant funding to local authorities both very welcome and perhaps more generous than many had expected. That will help us to tackle things such as the cost of the minimum wage rise for care staff, which runs into the millions. I also welcome the commitment to new family hubs and the Start4Life programme that will benefit children and families who really need it.

I said in an intervention that certainty for the supporting families programme and investment in the development of early years staff is fantastic. In particular, early years staff development has been a problem for a long time, so the more we can do to support that sector, the better. We must continue the commitment to proactive and preventive services. In truth, children's services, not social care, are causing every upper tier council leader in the land the biggest headache on budget setting. There are many challenges in social care, but, if I had loads of money, I could not spend it because I cannot recruit the staff. The challenges there are deep and long term.

Emma Hardy: The problems with recruiting were raised by East Riding of Yorkshire Council, and one reason why it is asking the Government for more money is that it wants to be able to offer higher wages to try to compete with organisations such as Amazon, which attract workers who would previously have worked in care.

Ben Bradley: I thank the hon. Member for that intervention, which pre-empts something I will come to. In effect, I will make the same point later in my speech. The truth is that next year we will underspend on social care, because we cannot recruit the staff to pay them, even if we had the money. In children's services, demand is growing exponentially. The complexities and costs are becoming increasingly difficult. There are also significant additional needs for school places for children coming from Hong Kong, and significant care issues for asylum-seeking children. The children's budget of every council in the land is overspent.

I therefore welcome measures focused on early intervention. I would love to talk to Ministers about supporting the transition towards a set of more preventive services. I welcome the announcement in the Budget, but we must continue the trend of having a better attitude to risk management and how we support families in their homes before we get to that acute stage. That change of approach and culture will save money in the end, but it will require more up-front resource.

The Government could support Nottinghamshire and the whole country by letting us pilot new proposals and ideas in the space through a county deal. We have thoughts about how we might like to do that, working

with organisations such as the National Youth Agency, the charitable sector and our great Nottinghamshire universities to change the game and learn some lessons. I would welcome conversations with Ministers about that.

On social care, and the point made by the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy), councils need teeth to get the money. More funding is welcome, but at the minute that funding is going to the NHS, whose backlog is in large parts due to the limits of social care. We cannot get people out of hospital and into appropriate homes or care packages, and we cannot offer sufficient preventive interventions. People end up in hospital, which is not the best place for them, because social care does not have the resources to provide emergency support or to fetch Mrs Miggins and put in place a care plan for her; instead, she ends up going off in an ambulance.

The Government could help tackle the NHS backlog by backing social care. As it stands, it appears that we must go with our begging bowl to the integrated care system to ask for funding from the national insurance rise for services such as supporting hospital discharge or response teams that can offer care in the home rather than an emergency response. The funding is aimed at the NHS backlog and, although it needs to fund those social care interventions to be successful, we seem to be at the NHS's mercy on whether it gives us that funding. I hope that Ministers will tackle that imbalance in the White Paper. It is hugely important to the transition and new approach to social care that we get that right, because the two are not separate services; they interlink closely.

We will meet a cliff edge in a few weeks, when the requirement for care staff to be vaccinated begins. I have raised that issue a few times. In Nottinghamshire alone, 1,000 staff or more could be no longer eligible to work in a sector that already has a 12% vacancy rate. Is it riskier to have an unvaccinated care worker or not to have a care worker? We may face that challenge. I know that there are financial mitigations to try to help, but, as I have said, we cannot recruit. We do not set the wages—largely, services are commissioned from private providers—and people can get £1.50 an hour more at Amazon than working in the care sector. I have said to Ministers before that we need to consider carefully whether it is right in effect to force a lot of people out of a profession that is already struggling with recruitment and with getting the right staff in the right places.

That said, there are many fantastic interventions in the Budget. I touched on many of them. However, those challenges will not go away. I therefore look forward to conversations about them with Ministers across various Departments in due course. There are real positives to take, with the Government continuing to support jobs and individuals. The OBR tells us that the interventions throughout the pandemic made a huge impact on protecting people and keeping them in work over the last 18 months. The plan for jobs has been incredibly successful so far, and I trust that that will continue. I welcome the many measures in the Budget that will impact positively on my constituents and look forward in due course to discussing in more detail with Ministers some of the challenges that I raised.

3.18 pm

John McDonnell (Hayes and Harlington) (Lab): I would like to comment on some of the points made in the debate so far.

[John McDonnell]

We all support levelling up—in fact, it was a Labour party policy announced in 2016—but let us talk about levelling back, because £100 billion of central Government funding has been taken from local government since 2010. With this Budget telling local councils that they can have spending power but not the resources to back it up, we know what will happen. Local councillors of all political hues will be blamed for either the cuts forced on them, or the council tax increases. It is predicted now that council taxes will increase by at least £400 by 2026.

What we need now is what we have been promised for a decade: reform of local government finance that provides an independent, adequate resource for local authorities. That includes the reform of business rates. On capital investment, it is now estimated that it would take £30 billion of investment a year to level up the regions to the investment levels of London and the south-east. In this Budget, there is nowhere near the amount needed to tackle that issue.

I say this to anyone entering government: whatever the quantum, the system of distribution must be seen to be fair. To have a Chancellor stand up and list the towns and areas that will be showered with his or her beneficence is not good enough. What we need is a system that is open, fair and transparent. In the distribution of resources across the UK to Scotland and Wales and so on, there is a Barnett formula. We should introduce a Barnett formula for this that is open and transparent, otherwise, there will be accusations of pork-barrel politics that will stain all our politics, not just this current Government's.

On pay, let me be clear: for most of my constituents, pay has been frozen for 10 years. The Government are telling people that the freeze is now ended, but not allocating the resources. Do not insult people's intelligence—they know that is a con. In the Government's pay remit to Departments, we must make it clear to those Departments that all pay rises must at least match inflation, that there should be an element of catch-up because of the freeze and the pay cuts over the past 10 years, and that those Departments will be given the resources to enable that to happen.

On the minimum wage, can we just stop the Orwellian language? This is not a living wage. That is a con. If we are to have at least some semblance of a living wage, why do we not just allocate its distribution to those who assess the real living wage? We also need a transition to better wage levels in this country. Two thirds of children living in poverty—my hon. Friend the Member for Makerfield (Yvonne Fovargue) spoke about this—are in families where someone is in work. What does that say about wages?

We promised to introduce a £10 an hour minimum wage two years ago. Because that has not happened, people have lost out on £2,500 each. That is a lot of money that could have lifted people out of poverty. I want to see the living wage now at £10 an hour, and I want to see it progress towards £15 an hour by the next general election at least.

On universal credit, let us be clear that the taper, which my hon. Friend spoke about, still means a tax rate of 55p in the pound. That is more than the Prime Minister pays, and 70% do not benefit now from the improvement to the taper. Yes, we need to restore the

£20, but why do we not think about what Barbara Castle put forward: ensuring that benefits are linked to earnings so that we all share in the growth of the economy?

We all agree that we are at one minute to midnight on climate change, but in this Budget I was hoping we would see a radical response to that—just the basics. No: I think at the last estimate, the Chancellor was introducing at least £54 billion of tax reliefs. Why do we not at least ensure that none of those tax reliefs go to companies promoting the use of fossil fuel, or that none of those tax reductions are linked to operations that increase emissions? In this instance, of course, I refer to the shocking announcement about the support that domestic flights will now get.

It was mooted at one point that we would see some radical changes in this Budget with regard to pensions tax relief. I hoped, and it is not too late, that when it came to the Finance Bill there would be a link between pension tax reliefs and ensuring that pension funds provide us with their strategies for removing their investments from fossil fuel—over a two-year prospect would be realisable.

Finally, let me say something on taxation. I was hoping we would see something beyond just words about fair taxation. Fair taxation means not cutting tax on the bankers who caused the crisis of 2008, and it means fairer taxation of wealth—that is capital gains—and of the wealthiest. It is time that the City started pulling its weight. That is why the financial transaction tax, newly designed over the last month by the Robin Hood campaigners, could be a realistic way for the City to make a better contribution to our economy overall. I also expected significantly more in this Budget, after the Pandora papers, about tackling tax avoidance in British overseas territories funnelled through the City of London, along with the money laundering that is taking place on a criminal scale.

The Chancellor said that this was a Budget for an era of optimism. I warn him that it will create crushing disappointment, which will tarnish our whole politics. That crushing disappointment will come out elsewhere—on picket lines and in demonstrations and occupations—as people's anger is fed by the disillusionment caused by this Budget.

3.25 pm

Bim Afolami (Hitchin and Harpenden) (Con): It is a pleasure to speak in this debate and to commend the Budget to the House. I think it is a good Budget for my constituency—indeed, for all the constituencies of this country. In particular, I know that my pubs, restaurants and retailers will be very happy with the business rates cut, although I echo the remarks on both sides of the House that we need a longer-lasting solution to business rates. I think everybody recognises that they are not an optimal tax and that we can do things a bit better.

In the brief time allotted to me, I want to talk about financial services and about growth more generally. First, on financial services, the right hon. Member for Hayes and Harlington (John McDonnell), for whom I have deep respect, made the point that the City should pull its weight, or something to that effect. I would argue that the financial services sector is pulling its weight. It employs over a million people and generates over 7% of UK economic output and almost 13% of tax revenue. I would argue that that is pulling its weight.

I welcome the Chancellor's decision to reduce the bank surcharge. It was introduced in the aftermath of the financial crisis, over 10 years ago. The planned increase in corporation tax to 25% would result in this country's bank taxation becoming completely uncompetitive compared with other leading financial services sectors, and that would have a detrimental effect on those million people the sector employs and that 7% of economic output and almost 13% of tax revenue that it produces. I therefore really support what the Chancellor has done; indeed, I even wish he had gone slightly further. It is also worth making the point that, in his measure on the bank surcharge, the Chancellor increased the annual allowance to £100 million, thereby ensuring that small challenger banks benefit the most.

The Chancellor and the Treasury have also recognised the need for reform in the financial services sector. We have had the Hill review and the Kalifa review; indeed, we have had the wholesale markets review, looking at the whole way in which regulate the financial services sector. I urge the Treasury to continue the dialogue that it has with me, in my role as chair of the all-party parliamentary group on financial markets and services, and with many other Members to ensure not only that we get the best regulatory environment as a result of those reviews, but that we really look ahead at the next five or 10 years and think, "What is the optimal regulation for this critical sector?"

The second thing that I want to say, which is perhaps even more important, is about growth. Without growth in the economy, none of the things that we talk about in this House is possible. The OBR estimates that after we come out of the coronavirus pandemic fully—we hope—our growth rate will settle at about 1.7%. Before the financial crisis, our medium-term growth rate, if we take out the three years of recession from 1980, was about 2.8%. In effect, since the financial crisis, we have lost a significant amount of growth. We are somewhere between 30% and 40% poorer than we otherwise would have been each year. That matters because it means we are not as prosperous as we should be. Not only is increased prosperity important for the livelihoods of every single person in this country, but it helps to pay for the public services that everybody in this House talks about and rightly champions.

The Chancellor has done a remarkable analysis, as have many think-tanks and other outside bodies, of the problems of our economy. We know what they are: low private investment, which is why the Chancellor has brought in measures such as super-deduction; poor skills, which is why in the Budget we increased the skills budget hugely; poor management in both small and medium-sized enterprises and middle management in large companies, which is why the Help to Grow and Help to Grow Digital schemes have been put in place; poor transport systems, which is why we are investing in local regions; and the regional imbalance in our economy, which is the essence of why we are levelling up and why it is such important mission for the Government.

Something is missing, though. It is not just about measures or policies; we need to rediscover the importance of values and purpose in economic policy making. We cannot treat the economy like a machine, where we press a button and something comes out, and pull a lever and something else comes out. The essence of why economies grow is not just what policies come from the

Government. The economic historian Deirdre McCloskey, who is a genius, has done a huge amount of work on why the industrial revolution started in this country and why it was so successful. Her analysis, backed up by that of many others, shows that it was about a change in mindset, a change in culture, and a change in the way we viewed economic innovation and dynamism in this country—and we did that here before anyone else.

I argue to those on the Treasury Bench that we need to rediscover that spirit and thinking. We could link it to the green agenda, giving purpose to the many people who want to see what they can do to help. They should not just think, "We need to give to charity here or give money to this or that group." We do need to do that, which is what the Prime Minister and various other people are doing at COP26, but we should also champion the nobility and virtue of wealth creators, and actively argue that more economic innovation is a social good, because that is what enriches our society. I do not believe that those values are inherent to this country alone, but our growth rate over the last 30 to 40 years has not been as strong as it could be, and it has not been for want of trying by either the Conservatives or Labour in government.

We need to be thinking about those sorts of ideas underpinning all our policies in the Budget. We need to think about how we deal with Government policy as a whole and to say that the primary goal of Government policy is to push forward growth. Let us push for green growth. Let us think about the honours system and champion people who create wealth and sustainability for their local communities. Let us think about the national curriculum and how we talk about creating sustainable and ethical businesses. If we do that not only will people be better off but our society as a whole will be enriched in lots of different ways.

3.33 pm

Carol Monaghan (Glasgow North West) (SNP): I think the right hon. Member for Harlow (Robert Halfon) summed up the issues for many of us. The Budget should be an opportunity to reflect on the cost of living, but when we consider the reality of this Budget for many of our constituents, seeing how young people and low-income families have been hit, we see that it unfortunately misses the target.

Before I come on to my main points, I will talk briefly about the Ministry of Defence budget, which has been hit with a cut to day-to-day spending until 2025, a decrease of 1.4% in average yearly real-terms growth. We know who will bear the brunt of that: personnel. It is their salaries, their pensions and their family support that will be hit hardest. As we approach Remembrance Day, when we commemorate the sacrifice of so many, it is disappointing that the Government are failing to support those who are serving now.

More widely, the Budget is devastating to families up and down the country. It fails to reverse poverty-inducing policies that are pushing people into hardship. Although I welcome the changes to the universal credit taper, they do not go far enough to make up for the cut of over £1,000 to the incomes of universal credit claimants. As has been mentioned, the taper rate reduction will help only those who are in work, not those who cannot work through no fault of their own—because they are carers, because they have disabilities, because they are not able to access the job market.

[Carol Monaghan]

Although the Chancellor acknowledged in the Budget that every child has the right to succeed, he missed yet another opportunity to address poverty, which remains the single biggest barrier to success in education. Without expanding the eligibility for free school meals, removing the two-child limit on tax credits and improving access to childcare, many children will sadly fail to reach their educational potential.

The Scottish Government, meanwhile, have introduced a number of pioneering measures, such as the Scottish child payment, free childcare for low-income families before and after school, and free breakfast and lunch for all primary school pupils. The difficulty is that the Scottish Government are giving and the UK Government are taking away. At the start of the debate, the Secretary of State for Education mentioned teachers' wages. It is worth noting that even with the uplift, which will no doubt be welcomed by teachers in England, they will still be £3,000 less well off than their counterparts in Scotland.

I turn to the Government's statement on research. I am sure that the commitment to increase public research and development spending will be met with some relief from many in the sector, but we have had no clarity on Horizon Europe. We have had nothing on how we will increase the opportunities for our young people to move to or work in Europe, or for European young people to come here. That is what the research and development sector needs most of all: access to talent at all levels, not just those who meet particular arbitrary salary thresholds.

There is no mention of tuition fees in the Budget. In fact, there is only one brief mention of the Augar review and no mention of the report's recommendation that the

"cap on the fee chargeable to HE students"—
in England—

"should be reduced to £7,500 per year"

by this academic year. The Government seem to have conveniently forgotten about it. They like to remind us about their economic prowess, but what is happening is that massive student loans are putting young people into incredible levels of debt, and the Government are simply shifting their fiscal responsibilities to a Government 30 years down the line, when these young people cannot pay them back. It is simply a fiscal fudge and the burden has been dumped on the next generation.

Finally, as Glasgow hosts COP over the next two weeks, many of us would have hoped to see some strong statements in the Budget about climate change, but the Chancellor has not even paid token consideration to climate or the environment in this Budget. The latest Intergovernmental Panel on Climate Change report provided a stark warning that the climate is changing in an unprecedented and damaging manner. We all know what our responsibilities are, but we are not seeing enough action. When our children and grandchildren ask us, "When COP was held in the UK, in Glasgow, what big steps did you take? How did you make changes that would make a difference to us?" I am afraid that we will look at this Budget and answer, "Not very much."

3.39 pm

Ben Everitt (Milton Keynes North) (Con): Perhaps you will indulge me, Mr Deputy Speaker, and cast your mind back to the last Budget in March. You may

remember that I spoke about the Chancellor walking a tightrope, having to balance providing support to people and businesses with beginning the process of building back better.

The Budget that we are debating today demonstrates just how far we have come since March. It is full of optimism, investment and growth, levelling up every town, region and industry across the United Kingdom. Of course, I cannot talk about it without first mentioning one of the big successes for my constituents in Milton Keynes North: the announcement that Milton Keynes will receive our share of £70 million for a fleet of more than 50 new zero-emission buses as part of the Department for Transport's ZEBRA—zero-emission bus regional areas—scheme. Having lobbied the Government with my good friend and colleague, my hon. Friend the Member for Milton Keynes South (Iain Stewart), I am delighted that my constituents will not only benefit from improved connectivity, but be part of the Government's ambitious net zero strategy.

While it is vital that we continue to invest in the physical infrastructure to boost our communities, I firmly believe that when we talk about levelling up, we must start with investment in people and in their future. That is why I am pleased to see a real commitment to improving accessibility and opportunities in skills, with overall skills spending increasing by more than £3.8 billion over this Parliament. From additional hours in the classroom for up to 100,000 T-level students to expanding the lifetime skills guarantee so that more people can access level 3 courses, the investment in skills will boost not only the productivity of our economy, but the wages in people's pocket, with level 3 qualifications resulting in a 16% boost in average earnings.

Given the Government's emphasis on skills and education as we build back better, it is a huge disappointment to me that the proposed university in Milton Keynes, MK:U, was not included in last week's Budget. One of the main values of the Conservative party, and indeed of this Government, is that we want to empower people by giving them the tools and skills they need to succeed, and that is exactly what MK:U would do. With backing from businesses such as Santander and BT and from academia, including the world-renowned Cranfield University, MK:U is a shining example of how we can address the critical shortage of skills and apprenticeships in sectors such as cyber-security and data science and create a high-skills, high-wage economy in Milton Keynes, the south-east and the whole United Kingdom.

If the Government are serious about improving access to technical education, as I believe we are, and if we are to show that we are serious about apprenticeships and investing in digital and science, technology, engineering and maths, I urge my Treasury colleagues to consider again the case for MK:U. I see the Chief Secretary in his place; I believe that the ball is in his court.

Ultimately, this is a Budget with a huge amount that I can get behind and a huge amount for the people of Milton Keynes North. There is an additional £640 million to tackle homelessness and rough sleeping, an increase in the national living wage, £5 billion for Project Gigabit—the list goes on. With that in mind, I thank my right hon. Friend the Chancellor and the whole Treasury team for making the difficult decisions back in March that ultimately put us on the right path and in a position to invest now in growth to keep unemployment down

and employment up. However, I say again that if the Chancellor and the Government are truly committed to upskilling our domestic workforce and levelling up in Milton Keynes North, MK:U has to be the next step in our ambitious plan to build back better.

3.44 pm

Gareth Thomas (Harrow West) (Lab/Co-op): It is a pleasure to follow the hon. Member for Milton Keynes North (Ben Everitt), and I wish him well in his campaign for the university in Milton Keynes to be recognised and supported. I hope he will forgive me for picking up only that part of his speech, and focusing on some equally important but none the less parochial examples of my own.

The Grange Farm estate is just half a mile from probably the most famous establishment in my constituency, Harrow School, but the world in which the people on the Grange Farm estate live is very different from the world that the Harrow School students come from. However, I am pleased to say that the estate has secured funding and, through a programme of investment by Harrow Council, is being rebuilt. Members are therefore entitled to wonder why I should raise it in the context of a Budget debate. On the estate at the moment, because it is being rebuilt, a series of vulnerable families are living in the temporary accommodation that is now available there. Many of them have spent all their time in temporary accommodation, moving from one not very suitable house to another even less suitable house. As they face the prospect of being evicted, for understandable reasons—so that the rest of the programme of rebuilding works can be completed—they are wondering, not unreasonably, when, if ever, they will have the chance of a permanent social home.

While there are one or two examples of positive progress in the Budget in terms of funds to tackle homelessness, there is no sense of any recognition in the Treasury of a national need for investment in social housing. I hope that Members with constituencies outside London will forgive me for making the fairly obvious point that London remains the epicentre of the housing crisis. It has the severest homelessness rates in the country: there are more than 165,000 homeless Londoners living in temporary accommodation, representing two thirds of the homelessness in the UK overall, and some 250,000 Londoners are on waiting lists for council housing. Given that, according to an analysis carried out by the Local Government Association, those who are managing to live in social housing face a £2,000 lower housing bill than those who live in the private rented sector, we can understand why there is still so much support for investment in more social housing.

Harrow Council, which I think does a very difficult job as well as it can in managing the housing shortfall, desperately needs still further funds to invest in social housing. I hope that some of those funds will eventually become available, so that those vulnerable families who are facing eviction—many have recently come out of care, some have experienced domestic abuse in the past, and many are single-person households in work who are looking after children but facing the prospect of having to up sticks and move again at a cost to themselves, and who will face the same prospect yet again in three or five years—will finally be given hope by a significant social housing programme.

Apart from a very brief reference in the Secretary of State's speech, there has been no mention of police funding. While it is good that police officers are being recruited, when the recruitment programme that the Government are funding comes to an end, we will still have fewer officers in the UK than we had in 2010. The number of police community support officers has fallen by about 40%, and those missing officers are not being replaced. What that means in practice for the communities in my constituency is that the local police team that they had become used to at the end of the last Labour Government—a sergeant and, usually, three police constables and four PCSOs for each ward in our borough, a highly visible police presence—has been cut to just one PC and one PCSO, and that is in no small part due to the efforts of the current Mayor of London. We need to see much more investment in the Metropolitan police, notwithstanding the significant need for reform that has again been revealed as a result of the Sarah Everard case and the cases of Bibaa Henry and Nicole Smallman. We are desperate to see a dedicated police team once again in central Harrow, and the British Transport police desperately need more funding, not least in my constituency, to improve safety on the tube network for women and girls. That issue has been raised at a number of meetings with the police locally.

I want to lament the fact that there seems to be nobody in Government who is seriously committed to the co-operative movement. Sadly, no investment in support of more co-op housing was announced in the Budget, and there is no sense of the need to give consumers more power. Many hon. Friends on this side of the House have rightly described the huge windfalls that the shareholders in water and sewerage companies have attracted over the years, and it is surely high time for consumers to be given significant power to decide when a discharge should take place, for example, or whether a chief executive's pay should rise. That should be the most urgent consideration before a change of ownership takes place, and it would be good to see that happen.

Finally, Ministers have promised many times that there would be new investment in credit unions and a programme of legislative change to help to drive a significant expansion of that sector. There is still no evidence of when that programme of legislative change will happen. If there is anything that the Chief Secretary to the Treasury can do today, it would be lovely to have a date for when that legislative package might come forward.

3.51 pm

Dehenna Davison (Bishop Auckland) (Con): I want to start by paying tribute to my right hon. Friend the Member for Gainsborough (Sir Edward Leigh), who is no longer in his place, for making the strong case for why low-tax conservatism is the right way forward. Everyone on this side of the House can definitely agree with that, but we obviously have to face the reality that we are living in unprecedented times and that covid has had an enormous impact. On those grounds, I think that the Budget that was announced on Wednesday was really fantastic, and I want to go through some of the really positive things that were announced.

The first, which was also raised by my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer), is the universal credit taper. Changing that to the 55% limit

[Dehenna Davison]

that it was originally destined to be is a really positive step forward in terms of not just the buzzwords of making work pay, which we Conservatives always talk about, but what that actually means for the single mum who knows that she can pick up a few more hours at work without losing a high proportion of her benefit. This has real-world implications for people, and it is a really positive step that this Conservative Government are taking.

I also want to focus on criminal justice, which is an area incredibly close to my heart—

Alan Brown (Kilmarnock and Loudoun) (SNP): Will the hon. Lady give way?

Dehenna Davison: I will not, because I have moved on from that point.

I particularly want to look at what the Conservative Government are doing to tackle the courts backlog. The courts have been really damaged by covid and it is absolutely right that we are putting so much emphasis on this: not just on the courts backlog in and of itself but on extra funding for rehabilitation and for our prison services, as well as for victim support, which again is an area close to my heart.

Another area that is close to my heart, colleagues across the House will not be surprised to hear, is the hospitality sector, which has faced a crippling 18 months so far. It has had unprecedented support from the Government through business grants and the VAT reduction, and one of the things that is going to do wonders for the sector as it bounces back is the further reduction in business rates to be rolled out over the next 12 months. That is a really positive step that I am incredibly pleased to support today.

Something that I know caused vast cheers on Wednesday was the fact that we are finally seeing substantial changes to the alcohol duty system. This is long overdue, not just because it is going to help the brewing sector and the hospitality sector but because it is a form of tax simplification, which is something that I, as a low-tax Conservative, am wholeheartedly for. My inner low-tax Tory let out a massive cheer when I learned that fruit ciders were going to see a reduction in duty as well.

Carol Monaghan: Does the hon. Lady not recognise that fruit ciders have been linked to alcoholism in children, and that it is not necessarily a good thing to cut the tax on them?

Dehenna Davison: I would say that it is a good thing to be cutting tax in general, but that has to be alongside a proper public health strategy to ensure that we are tackling issues associated with alcohol abuse across the board and, in particular, among young people.

My being low tax does not mean that I do not think spending is necessary, because spending in the right areas absolutely is necessary. There are two key things we can focus on. The first is spending on places, by which I mean some of the areas that have been left behind for far too long—for generations. I am thinking of places in Bishop Auckland. One thing I was delighted to see in the Budget on Wednesday was the levelling-up fund, which is going to see three key projects delivered in my area: we will be connecting communities through

the Toft Hill bypass; we will be connecting communities through the repairs to the historic Whorlton bridge; and we will have the extra works for Locomotion in Shildon to improve heritage and tourism in my area and create jobs for the future.

My hon. Friend the Member for Milton Keynes North (Ben Everitt) stole a bit of my speech, because he talked about the importance of investment in people and I could not agree with him more on that. For me, that investment takes two forms. The first is investment in good-quality healthcare, and the settlement the NHS is getting thanks to this Budget is astonishing. However, one thing I hope I can work with Treasury and Health Ministers on is finally getting the accident and emergency reinstated at Bishop Auckland Hospital. I have been campaigning on that for two years solid and I have no intention of stopping now. However, the billions of pounds to tackle the backlog in elective surgery is the right step forward, as is the emphasis on early diagnostics through 100 new community diagnostic centres. Those are positive things coming out of this Budget.

Investment in people also means investment in skills, and we are seeing £4.8 billion being invested in them. This is also about policy, and things such as university technical colleges and the move to T-levels. I must say that I agree with the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) that we need to slightly rethink our policy on BTECs. We need to make sure that our young people have the skills they need, but we also need to make sure that BTECs are phased out in the most proactive and positive way, so that that will not have a negative impact on the education of our young people.

One thing I am passionate about is the lifetime skills guarantee, which is making sure that as our economy changes and we have become more technologically focused, people have the skills they need to get on in any future career, not just the one they are in now. Excuse my enthusiasm, but I used to work in research and development and one thing I am really enthused by is the Government's focus on that. This is not just about R&D spending, finally introducing the Advanced Research and Invention Agency and R&D tax credits; it is also about the super-deduction scheme. The Government get slagged off all the time for supposedly reducing taxes on business when it is not the right time to do so, but this is incentivising investment in R&D. It is incentivising businesses to improve their productivity, and not just to create good, high-quality, skilled jobs which all our constituents can take up to give them a better life, but to grow our economy. As Conservatives, we know that the best way out of any economic crisis is growth, not spend, spend, spend—it is all about growth. The Chancellor has put a lot of emphasis on our future growth statistics. He also highlighted the fact that he remains a low-tax Tory. I am really trusting in him to stick to his word as we move out of this crisis.

3.57 pm

Valerie Vaz (Walsall South) (Lab): It is a pleasure to follow the hon. Member for Bishop Auckland (Dehenna Davison), but I am sure she will agree that this Budget is a wasted opportunity. It is a missed opportunity because the Chancellor did not focus on an ambitious future for our country and for those on the frontline during the pandemic. This is a conflicted Chancellor, who is giving

money to bankers by cutting the surcharge on bank profits from 8% to 3%, but has nothing on tax evasion or avoidance. Welcome relief is being provided for theatres and galleries, and I hope that that means the new art gallery in Walsall will not have to scrounge and scabble around for money every year. Of course, we also have the 50% business rate discount for businesses in leisure, hospitality—an area the hon. Lady mentioned—and retail, and the benefit change.

However, this is a contradictory Chancellor. He said he wanted to support the imagination and drive of entrepreneurial people, but the 3 million self-employed and small entrepreneurs who did not qualify for covid relief—the excluded—still do not qualify for any other support. He is the Instagram Chancellor—the Insta Chancellor, although none of the money is coming instantly, as he said himself. Everything is going in in 2024-25, before the next election, but we need something now, and I want to focus on three areas: young people, communities and the climate emergency.

First, on education, I am sorry to say that the Government lack ambition for our children. Walsall schools have been suffering: they have been on the frontline for the past two years, making sure that the children of key workers, and other children, are educated. The recovery package for children is so bad that the Government's own commissioner had to resign. Sir Kevan Collins asked for £15 billion but was allocated £5 billion, spread across 8.2 million children—that is less than £500 per pupil. Members can compare that with the Netherlands, which is spending £2,100 per pupil.

The Chancellor has rejected the idea of extending free school meal provision for three years, thereby affecting the health and wellbeing of millions of children throughout the country. He should have supported parents and teachers by facilitating a nurse or counsellor in every school, to help with children's mental health. Or he could have funded a tutor or two, targeted at each school, to help teachers and classroom assistants. That would be a catch-up, but 60% of schools have not even recovered from using their budgets for covid, and there is nothing for them. Schools in my constituency have had to get food bags ready for their pupils.

What are family hubs when we had Sure Starts? Sure Start Palfrey was rated outstanding by Ofsted twice, yet it is now closed. The National Youth Agency found this year that local authority annual expenditure on youth services has dropped by £1 billion. Children in affluent areas of England are twice as likely to have access to youth clubs and other out-of-school activities as children in poorer parts.

The youth service in Walsall had a building on the Narrow Lane site in Pleck, but Walsall Council has now pushed through a Traveller transit site at that location. A better site was identified in the site allocation document. Worse still, in the Black Country plan Walsall has 23 permissions or allocations of land for Gypsy, Roma and Traveller communities, whereas Dudley has only two. Instead of investing in young people, the council has chased them off the site, to waste money right in the heart of the community in Pleck.

What about communities and local economies? Of the towns fund recipients announced in spring this year, 39 out of the 45 were in tier 1 Conservative constituencies. I do not recall the Chancellor namechecking any Opposition constituencies in the Budget speech.

The UK shared prosperity fund does not deliver the £1.5 billion a year until—wait for it—2024-25. Funding for next year is just £400 million, so the Government are failing even to replace the EU funds.

What about our high streets? There has been no support for retail and supermarket workers—those on the frontline who worked during the pandemic to keep the country fed. To ensure that work pays, the minimum wage should have been raised to at least £10 an hour and there should have been an end to insecure contracts. Or perhaps there should be a real living wage that people can live on once the basic living costs are taken off.

If the Chancellor wanted to regenerate our high streets, he could have closed the loophole in respect of online sales taxes to help high street retailers, just as the French are doing to support their bookshops.

What about climate change and the climate emergency? This week, the most dramatic thing is happening in Glasgow—COP26—but there was no mention of it in the Budget. It is not about us; it is about future generations. Even now, the Government are rowing back on their 1.5° commitment. This contradictory Chancellor lowered air passenger duty for short-haul domestic flights, but there was no mention in the Budget of alternatives such as public transport and no mention of High Speed 2 or the integrated rail plan.

Perhaps the conflicted Chancellor should have listened to Insulate Britain instead of the airlines. The Government said there would be extra money for heat pumps for 600,000 homes a year, but no—money has been allocated for just 30,000 a year. That is one in every 250 households.

What about the restoration of solar panel tariffs? The Government stopped the subsidies for new applications in 2019. More than 800,000 households had installed solar panels since 2010, but the Government announced a 65% cut to the tariff.

Sadly, a new food bank has opened in the Saddlers Centre. Families have been hit hard by the covid crisis.

There is not much in the Budget for those who looked after us during the pandemic: the NHS pay rise is a paltry 3%. That is a missed opportunity to say thank you. Unison did a survey and found that 80% of NHS staff were against the 3% rise.

There is nothing allocated in the Budget so that we can learn the lessons of the covid inquiry, and nothing for our young people, our communities or our glorious planet. We have an Instagram Chancellor with no instant plan. I hope he will reconsider and make his plans more ambitious, for the good of our country.

4.4 pm

Virginia Crosbie (Ynys Môn) (Con): Last week's Budget marked an important step in preparing and supporting the UK in a post-Brexit and post-covid world. The Budget rightly focused on the Government's commitments to level up communities and to bring economic prosperity to areas that have seen disinvestment and loss of opportunity over recent years—areas such as my own constituency of Ynys Môn.

In terms of its economic productivity, Ynys Môn—the Isle of Anglesey—has one of the lowest gross value added in the UK. In recent years, we have lost major employers such as Wylfa, Anglesey Aluminium, Octel

[*Virginia Crosbie*]

and Rehav. During the pandemic we have seen the fragility of our tourist economy, on which so many local people depend. This has resulted in our young people having to leave the island to find good quality work, leaving behind their families, leaving behind their culture and leaving behind their Welsh language.

Last week, the Chancellor of the Exchequer said:

“There is a reason we talk about the importance of family, community and personal responsibility. We do so not because these are an alternative to the market or the state, but because they are more important than the market or the state.”—[*Official Report*, 27 October 2021; Vol. 702, c. 286.]

Ynys Môn is all about family and community, which is why we need to level up opportunity and provide permanent, well-paid careers on the island. Only this will drive up our economic productivity, give our young people aspiration and keep them on the island. Only by creating healthy and self-sufficient communities can we ensure that our Welsh language and culture continue to thrive.

Last week, we saw some huge numbers: £2.6 billion to the UK shared prosperity fund; £5 billion to Project Gigabit; and £1.4 billion to the global Britain investment fund. These will unleash private capital, and we on Anglesey look forward to reaping the rewards of this investment.

Ynys Môn is known as energy island, and so we particularly welcomed the announcement of £380 million for the offshore wind sector, £1.7 billion to enable a large-scale nuclear plant, £385 million towards nuclear R&D, and £120 million for a new future nuclear enabling fund. With the National Nuclear Laboratory already based at M-SPARC in Gaerwen, and Bechtel, Rolls-Royce and others keen to set up at Wylfa Newydd—whether it is AP1000s and/or small modular reactors—these announcements bring hope to Anglesey. It is hope that we may once again enjoy the economic benefits of hosting nuclear.

We are also keen to see the UK’s first thermal hydraulic test facility established locally. There are currently only two worldwide: one in Italy and one in the US. To have the third thermal hydraulic test facility in the world in north Wales would be absolutely fantastic.

The people of Anglesey are already starting to see the impact of the levelling-up agenda. We have jobs and opportunities appearing as a result of the Government’s investment: more than 200 new jobs at the HMRC Holyhead inland border facility; expansion of the workforce at Orthios Eco-Park supported by Government investment; the Holyhead hydrogen hub, which was earmarked for almost £5 million in the March Budget; and, of course, as chair of the Anglesey freeport bidding consortium, I continue to press for Anglesey to become a freeport with all the advantages that that would bring.

Finally, I thank the Chancellor of the Exchequer, the Chief Secretary to the Treasury and the Secretary of State for Transport for awarding my bidding team up to £50,000 for a feasibility study on the disused Gaerwen to Amlwch line on Anglesey. This money will be match funded by the Welsh Government and allow us to fully investigate viable options and alternative uses so that we can bring this community asset back to life.

Our island used to be known as *Mon Mam Cymru*—the Mother of Wales. I am proud that this Government are giving Ynys Môn a hand up, not just a hand-out, so that once more Ynys Môn and its people will not only lead but roar on the global stage.

4.9 pm

Hywel Williams (Arfon) (PC): It is a pleasure to follow my constituency neighbour, the hon. Member for Ynys Môn (Virginia Crosbie). Unfortunately, we do not quite see eye to eye on everything, but it was a pleasure to hear her speak.

For Wales there are three particular yawning funding gaps in this Budget. I will only refer to those three, although I could say a great deal more. First, the arrangements for replacing EU structural funds are—to be very kind—a bit unclear. That is a worry for marginalised communities, rural communities, small and medium-sized enterprises, and the third sector. What we do know, however, is that the replacement funds will fall well short of the £375 million that we were receiving every year. In fact, the figure that has been suggested is £120 million, not £375 million. To me, that sounds like not levelling up, but pushing down.

The EU funding has in the past supported skills development, business development, decarbonisation and much else. Skills development, of course, is a particular issue this afternoon. The Education Secretary referred to it, as did many of his colleagues. Those three apparently prime targets for this Government are unfortunately going to be neglected now that the funding will be reduced, not increased. To be clear, Wales won those funds from the EU because of our relative poverty. Our poverty puts us in the same category, unfortunately, as parts of post-1989 eastern Europe. That is where we stand economically. I am afraid that that grinding poverty remains. It has scarcely been relieved, yet this Government are cutting the relief that has been available to us—so much for their golden promises about life after Brexit.

My second point is about HS2. The spending review did not reclassify HS2 as an England-only scheme. Quite apart from the well-made arguments of English MPs against HS2 on environmental and other grounds, I have to point out that HS2 literally comes nowhere near Wales, yet, unlike Scotland and Northern Ireland, we are paying for it. Were we not paying for it and instead getting a Barnett consequential, we would have received about £5 billion, which would have gone some way to redressing the chronic underinvestment in our rail infrastructure.

I have said before in the House that Wales has 11% of the rail network, yet we receive 1% of the investment in that infrastructure—a point that really needs to be addressed. Even if we only received our Barnett consequential of infrastructure investment, it would be 5% rather than 1%. As it is, HS2 is expected to have a negative impact of about £150 million a year on the Welsh economy, even though we are paying for it. This will hit the south and the south-west of Wales particularly hard, while the projected benefits—in particular to the north-east of Wales—compared to the huge spending on HS2 are, to use one of the Prime Minister’s favourite words, *piffling*.

Let me turn to my third point. Members may have forgotten the legacy of the Welsh coal industry—an industry that powered so much development that benefited others elsewhere and provided some individuals with almost incalculable wealth, which was spent conspicuously

on personal follies such as grandiose fantasy castles. Now the coal has long gone, disappearing on railway wagons down to the east or off on ships to all parts of the world. But other legacies remain: the wrecked health, the poverty and, conspicuously, the coal tips.

There are 2,456 coal tips in Wales, which tower over former mining communities. Most are quite stable—at present, at least—but 327 are classified as high risk, and one of those actually slipped earlier this year near Tylorstown, where my own grandfather was a collier in the '20s. Others may slip, particularly bearing in mind the increased rainfall that is inevitable with climate change. The coal may have gone and the wealth may have gone, but responsibility for the tips is now devolved—we are picking up the mess—and we will try to make them safe. However, the failure to back a long-term solution for Wales's coal tips could create an additional financial burden on the Welsh Government, and the Welsh budget, of about £60 million per year.

Those three points convince me that the contrast between the Government's soaring rhetoric about their plans and the reality that we are facing is breathtaking. This is not a Budget that my party can welcome or support.

4.15 pm

Bob Seely (Isle of Wight) (Con): It is a pleasure to follow the hon. Member for Arfon (Hywel Williams). I wish I could say I disagreed with him over HS2, but let us not go there.

I congratulate the Government on their decision to back the Isle of Wight's levelling-up bid last week and moving it up into tranche 1, accepting my arguments. I am most grateful for that. I want to say, because we are spending an awful lot of money, that it is going to be exceptionally well spent. That £6 million is going to buy quite a few things, but most importantly it will buy the capability to be able to lift 240-tonne ships out of the water at East Cowes. It will be a massive boost for jobs and for Wight shipyards and aluminium boats. With regard to shipbuilding, there is likely to be a significant contract for border patrol vessels, I hope. The Isle of Wight may well be putting in the only UK bid, and it will be a highly competitive one. Those boats have been made in Holland before. It would be nice to see them made in the UK and preferably on the Island, bringing that wealth to the Isle of Wight and also along the south coast.

I congratulate the Government on the universal credit decision. Out of all the excellent things in the Budget—my right hon. Friend the Chief Secretary knows this as well as I do—the best is that we are enabling our constituents to make work worthwhile, getting work into families and giving them prosperity and hope. That may well be the most important thing that has come out of this Budget, and it may be influential for years to come.

I want to put on record my thanks to Maggie Oldham at the Isle of Wight NHS Trust, who has taken the trust out of special measures. It is now rated as good. I am also grateful for the recent visit by the Education Ministry's permanent secretary to Cowes Enterprise College to see an example of best practice in embedding careers into the curriculum. Getting people ready for work is clearly an important part of education.

I am delighted that the Under-Secretary of State for Transport, my hon. Friend the Member for Witney (Robert Courts), is here, because I want to talk briefly

about transport, just to have a bit of a moan within a positive framework. He and I have met quite often and talked about the Isle of Wight ferries and Isle of Wight transport. I wrote to him last week. I hope we are going to look at a series of issues, and I want to put them on the public record now.

The ferry services fall down too often. If this was a multi-constituency problem, the situation with Wightlink, Red Funnel and Hovertravel would not be accepted, yet unfortunately in this case it is accepted, for whatever reason. We need to challenge that and do better, because interconnectivity is important, as Ministers know. We need to improve our connectivity between the mainland and the Island.

First, following up on the letter that I wrote, can the Government take the power to oversee ferry timetables in the same way that the Rail Minister does with rail timetables? Secondly, especially because we have a Treasury Minister here, will the Treasury support a national infrastructure bid potentially by a new ferry operator—a free-market alternative—to get a new player into the market, especially if it is a community interest company that will keep a low debt level and a more affordable price structure for Islanders? Thirdly, will the Government look at other measures and potentially take other controls over ferry firms, for instance through looking at their debt level? I do not want to sound like the right hon. Member for Hayes and Harlington (John McDonnell) or the hon. Member for Norwich South (Clive Lewis), but the privatisation of Wightlink did not work, and that company has been loaded up with debt by corporate sharks over the years. That debt gets paid for every time an Islander uses the ferry service, and it is frankly unfair. I also question whether it is right for public services, be they Wightlink or Southern Water, to be owned ultimately by companies based in offshore tax havens. It is not right and it is not good for us that that practice continues.

Fourthly, can we look at extending the EU261/UK261 regulations, which cover air travel, to cover the ferry firms? Fifthly, can we add public service obligations, either supported or unsupported by the taxpayer? Will the Government support the Isle of Wight Council or the Department for Transport taking a share in Wightlink or potentially Red Funnel? Will the Government also look at a cap on costs for those travelling to the mainland for health-related travel? Unlike the Isles of Scilly, we do not have the same beneficial arrangement, and those costs are sometimes higher than they are for other people.

I will leave it there, with one final point—I am looking to the Minister via the Speaker's Chair. On the fair funding formula, negotiations are ongoing. The Government and the Chancellor accepted for the first time, after my pressing, that the Isle of Wight should be treated as an island and that there are additional costs in providing Government services and doing business caused by separation by sea. Those negotiations are at an advanced stage. I would be grateful, because the Government invested £50,000 to look at this with the Isle of Wight Council, if those negotiations came to a positive resolution. The amounts of money we are talking about are so small when it comes to overall budgets, but would mean a great deal to the Island. That would mean that the Isle of Wight's additional costs caused by being an island would be recognised by Government for the first time in decades.

4.21 pm

Nadia Whittome (Nottingham East) (Lab): It is a pleasure to follow the hon. Member for Isle of Wight (Bob Seely). I echo his support for comments from those on the Opposition Benches condemning private ownership of our public services.

For my generation, this Budget offers little hope. It fails to address the climate emergency, the effects of which we must endure; it fails to tackle the poverty pay that means wages do not pay the bills; and it fails to get a grip on the housing crisis, consigning people of my generation to live in their childhood bedrooms or fork out half of their income in rent.

We are a generation that has grown up under austerity. Our entire teenage and adult lives have been lived in its shadow. The Chancellor talks about restoring spending, but the cuts continue to bite. In all but a few Departments, increases in his spending review only partially reverse cuts made since 2010. The people of Nottingham now receive more than £100 million less each year to fund local services. Thanks to Government cuts to local authorities, our city's youth services have been cut by over 90%. When will Nottingham get the money we need to truly level up? Will the Chancellor answer honestly on why his seat, among the most affluent in the country, has been prioritised in the levelling-up fund, while 38% of children in Nottingham East are living in poverty?

The Chancellor may have ended the public sector pay freeze, but there is no certainty that wages will rise above inflation or even with inflation. The tax hikes he is implementing and the price rises he is failing to control mean that families face a cost of living crisis. Public sector workers cannot continue with more years of below-inflation pay increases, which are, in real terms, pay cuts. The Chancellor must guarantee a proper pay rise for those workers and, indeed, for all workers, whether they are care workers, shop workers or cleaners—the people who got us through the pandemic.

Days before COP26, the Budget could have announced an ambitious spending plan for a just transition to a low-carbon economy, creating thousands of jobs in the process. Instead, the Chancellor cut taxes on domestic flights and pledged just £7.5 billion of new money for climate and nature, which leaves a £55.4 billion gap in the investment we need to hit our net zero and nature targets.

Shell and BP paid zero tax on North sea oil in the last three years, and the Government have backed them with tax breaks and subsidies worth billions. Instead of bankrolling polluters, we should invest those billions in a green new deal. The Budget gives banks a £4 billion tax break while hiking taxes for working people to the highest level in 70 years.

The Budget also keeps the universal credit cut. Even with the changes to the taper rate, about 75% of the 4.4 million households on universal credit, including 14,250 in Nottingham East, will still be worse off. After more than a decade of austerity, the Budget fails to restore spending on public services to the level that we need and does not deliver the “new age of optimism” that the Chancellor promised. The glass is not half full. After 10 years of brutal Tory austerity and Government cuts, it is completely empty.

4.26 pm

Jacob Young (Redcar) (Con): It is a pleasure to follow the hon. Member for Nottingham East (Nadia Whittome). It is fitting that she is the youngest female MP and I am the youngest male MP given the steps that we are taking to invest in the future of our young people.

I am pleased to speak in today's debate as the Chancellor, as well as being a friend, is my constituency neighbour, as is my right hon. Friend the Chief Secretary to the Treasury. The Budget, delivered for the whole country by a northern Chancellor, certainly reflected that. It ensures that the areas that Labour forgot are not just recognised, but central to the Government's mission for a safer, cleaner and healthier Britain.

The Budget sets us back on track, with new fiscal rules of borrowing only to invest and returning to debt falling by the end of the Parliament. While the Labour party carps about the difficult decisions that the Government have to make, we are getting on with the job. The public are backing us, too: they see the changes that we are trying to make and understand that the road to a high-skill, high-wage economy comes with initial challenges.

We voted for change, both in 2016 when 66% of people in Redcar and Cleveland voted to leave and in 2019 when Redcar elected its first Tory MP, and the Government are getting on and delivering that change. The Budget announced £310 million for transport across the Tees valley, which will mean improvements to Redcar and South Bank stations and the station at British Steel; new active travel with better cycle routes across Teesside so that people can get to work more easily without a car; the new Tees crossing, which will decongest the A19 going north; and support for the roll-out of new hydrogen and electric vehicles.

On top of that, the Chancellor cut domestic air passenger duty, which is a boost for Teesside airport. We are getting a direct train link to London from Middlesbrough next month, and next year, the TransPennine line will be extended from Manchester to Saltburn. By air, road and rail, Teesside is becoming more connected day by day, thanks to our Conservative Government.

Alongside that huge investment in our transport infrastructure, the Government made a specific announcement of a UK and world first. The UK Infrastructure Bank, which the Chancellor announced in March, has made its first investment of £107 million in the new offshore wind quay at South Bank. That will enable us to get on with the job, build out the quay, regenerate the site and create the jobs of the future on the south bank of the Tees. On that site, we will manufacture blades for wind turbines almost as tall as the Eiffel tower and huge turbines that make Big Ben look like Little Ben. They will form part of the largest wind farm in the world at Dogger Bank.

The Budget also contained Teesside freeport's approval as a tax site and the green light for it to become operational from mid-November. I declare my interest as an unpaid member of the Teesside Freeport board. I am now almost certain that that means we will be the UK's first post-Brexit freeport. That is a pledge that I made and a challenge that I set myself when I made my maiden speech just along this Bench 18 months ago—delivered for the people of Redcar and Cleveland.

The real icing on the cake was the announcement made by Gezza on Wednesday evening. Of course, I refer not to the right hon. Member for Islington North (Jeremy Corbyn) but to the noble Lord Grimstone, who is working night and day to make Teesside great again. He announced that Sabic is to invest £850 million in its Teesside petrochemicals site, creating and protecting more than 1,000 Teesside jobs and confirming the parable that investment in the north-east from Saudi Arabia is like buses: we wait all day and then two come along at once—apparently that is a football joke.

That investment stands at the heart of our Conservative ideology that it is not the state that delivers the jobs of the future. We deliver strong public services, we level up infrastructure, we drive forward economic growth and we support the innovators, the entrepreneurs and, yes, the lenders to ensure that those who want to build something in Britain can get on and do it. It is not the Government who create jobs; it is businesses. That is why the Chancellor is supporting them and has supported them throughout the pandemic.

Finally, I was so pleased to see the Chancellor's backing for research and development in the Budget, taking our investment in the technologies and jobs of the future to 1.1% of GDP. However, I want to see that increase going towards the D in R&D. So many brilliant ideas are killed by their inability to be demonstrated. Redcar and Cleveland is home to two world-leading development sites: the Centre for Process Innovation and the Materials Processing institute. They are two fantastic organisations, the latter established days before D-day as Churchill's Government prepared to have the best steel innovation available to meet the challenges of rebuilding Britain after the war.

In the March 2020 Budget—that seems like a lifetime ago—the Chancellor backed the programme of research and innovation for the UK steel and metals sector. Page 85 of the 2020 Red Book referred to £22 million for the Materials Processing Institute for innovation in decarbonising the steel sector. That funding, alongside support from Innovate UK, has created 25 high-skilled jobs. PRISM will go on to make huge strides in decarbonising our foundation industries. That is what we can achieve when we invest in research and, crucially, in development. We can create the jobs of the future, the technologies that will help us tackle climate change, and level up across the country.

4.33 pm

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): While the Chancellor presented his Budget as the best Budget in 10 years, he seemed to forget what party has been in control of the country for 10 years. The reason why this miserable Budget is the best of all the miserable Budgets of the last 10 years is that a miserable party has governed our country for the last 10 years. It has cut, cut and cut every time.

We have seen £1 billion of cuts in youth services since 2010, when the Liberal Democrats brought the Conservatives into power, and we see further cuts to youth services in this Budget. I know from my work on the all-party parliamentary group on youth affairs that many Conservative Members think youth services should be invested in and that the failure to invest in them, and cuts to them, have caused many social problems in their communities. It is a shame that the hon. Member for

Mansfield (Ben Bradley) is not in his place. We have done much work on youth services in his area, where I have seen really good projects. I am sure, though of course he will not say it publicly, he is disappointed that there is a real-terms cut for youth services—and if he is not, he should be looking at the small print, because that is the reality.

Even when there is investment in youth services, it is in buildings. I love a new shiny building; there is nothing better as the local MP than going to cut the ribbon, getting a nice photoshoot for our next political leaflet. However, the reality is that we do not need large numbers of new youth centres. There is a need for some to be refurbished; there is a need for some to be returned from use as government offices, because they ended up being glorified council offices rather than active youth centres. That has happened because we do not have the operating costs for those youth centres up and down the country.

When I speak to housing associations, they say, “Well, if you really need a youth centre, we can probably build that within the framework of the local housing budget we have, but we can't pay for the day-to-day costs.” Have the Government provided any support for that? No. We see in my constituency, for example, the Conservative-controlled council writing a press release in the middle of the night to say it is going to close the 1,000 square metres main library in Peacehaven and replace it with a 35 square metres facility, because of budget cuts and other changes that the council says are unforeseen.

That is not unique. It is a great shame, of course, that a Conservative-controlled council would do that, and particularly that it would do so without speaking to the local Labour councillors, or to the local town and parish councillors who wrote to them asking for a dialogue on the matter. However, I will ignore the snub from the Conservative county council leadership and the officers there, who have shown complete disregard for Peacehaven time and again. Only last year, in the dead of night, the council filled in the local primary school swimming pool—a pool paid for by the local community. During covid, the council sent in the bulldozers and bulldozed it up, saying that it cost too much to run. We said, “Surely it costs more to bulldoze it over than to keep it and mothball it?” But that is enough about the dangers of the Conservative council in East Sussex abandoning Peacehaven. The reason the council has to do those things, even though they are the wrong choices, is that its funding has been cut to the bone time and again by this Government.

That is why I tabled an amendment today. It was quite rightly not selected, and I did not expect it to be, but I tabled it to say that the upper earnings threshold on national insurance should be abolished. That would mean that everyone who earns over the primary threshold should just pay the same percentage, which to me seems fair. Someone who earns £40,000 should pay the same percentage as people earning £60,000. At the moment, people earning £60,000 can pay 3%, while someone earning below the upper threshold has to pay 13%. That does not seem fair to me. Abolishing that upper threshold would raise between £15 billion and £20 billion. We have to put a range on these things, because of course with tax funnelling and so on, we do not know what we will actually get, but the lowest estimate is £14.5 billion.

[Lloyd Russell-Moyle]

The precept, the Government's measures and the measure I have proposed would cover almost all the costs of adult social care that local authorities up and down this country are having to pay. That would free up our councils to do what they should be doing, which is providing libraries and youth services, and not feeling that they have to provide adult social care. That is a plan for adult social care, not the mysterious plan involving money that might come down the line in a few years that we heard from the Chancellor. That is why I tabled my amendment.

It is also important to realise that in this Budget there are tax giveaways. Who are those tax giveaways to? Not the ordinary person. There is £4 billion in tax cuts for banks in this country—banks that have made record profits in this period. We see no real action on companies such as Southern Water, which keeps pumping pollution, filth and sewage into our seas and rivers. When I met the chief executive officer of Southern Water, he said, "I don't understand why my staff are getting such a bad time." I said, "It might be because you've just awarded yourself half a million pounds in bonus while also being fined for illegal activity."

Did this Budget tackle any of that? Did this Budget support money going in to transform our Victorian sewers or measures to repatriate the excessive profits of corporations? No, it did not. It left our seas dirty, our libraries closed and our youth services abandoned. What a shame; what a missed opportunity—but what did we expect from them?

4.40 pm

Richard Drax (South Dorset) (Con): I refer Members to my entry in the Register of Members' Financial Interests. It is a pleasure to follow the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle). I do not always agree with him, but it is always a pleasure to listen to him.

While my right hon. Friend the Chief Secretary to the Treasury is in his place, let me say—I have already shouted at him quietly in the corridor—that we in Dorset Council are very disappointed that levelling up does not apply to us. With some of the deepest pockets of deprivation and poverty in my constituency of South Dorset, we put a huge effort into making our application to the Government. I praise all those who took part, including the business community. Regrettably, however, because we went to unitary status, we went from category 1 to category 3, which is blatantly unfair. I appeal to the Government not to forget us in South Dorset. We are getting a little tired of being forgotten.

Moving on to the Budget, I want to talk a little about our Conservative philosophy. We have had a few days to digest the Chancellor's enthusiastic delivery of the Budget statement last Wednesday. First, let me acknowledge that we are living through unprecedented times; the financial pressures on the Government have been extraordinary, particularly now, post pandemic, when all the chickens are coming home to roost. I applaud the Chancellor's deft handling through three controversial lockdowns, although I did not agree with them. There is no doubt that the furlough scheme saved countless jobs and is now enabling the economy to bounce back impressively.

There is a lot in the Budget that I welcome and will help my constituents, not least the funding for skills, which I absolutely endorse; the taper relief to universal credit, which will help a lot of my constituents; and of course the help for businesses with business rates, although, as many Members have said, we long for business rates to be reviewed completely.

However, alarm bells are ringing for me as a Conservative. A further £150 billion spending spree caused an intake of breath, I have to say. With the UK's total debt now over £2 trillion and taxes at their highest for 70 years, I wonder how long it will be before the country's credit card finally expires. *[Interruption.]* We hear the customary groan from those on the Opposition Benches. I expect that, because they just spend money like water.

The majority of the Budget was contrary to our philosophy of less state, lower taxes and a free market economy. It was more big state and "the Government know best how to spend individuals' money". They do not. Our job is simple: to create an environment where business can thrive, allowing the entrepreneurs and innovators in the UK to do what they do best while attracting the best from around the world to invest here, which, post EU, we are now in a position to do.

To that end, the final few sentences in the Chancellor's 70-minute Budget speech, which ran counter to the first 67 minutes, gave me hope. We left the EU for many reasons, but one of the most significant was to enable us to govern ourselves and make our own laws. The vision during those torrid pre-Brexit years was of a low-tax, Singapore-style country, producing and innovating our way to a new and prosperous future. I believed in that then, and I believe in it now, but it will not be achieved if we continue to favour big state spending, establishing an irreversible trend that can only continue to rise. Is that something that we Conservatives are prepared to countenance?

What we need, and urgently, is a vision, a narrative, a plan, and the political courage to promote it and see it through. However, that will be unsellable and unworkable unless it is accompanied by radical reform. Take the NHS, for example. Do not get me wrong. I have absolute respect and admiration for the doctors and nurses who work on the frontline and they have done a fantastic job throughout the pandemic. However, one commentator recently noted that the NHS was an organisation with a country attached. It is predicted that day-to-day Government spending on this behemoth could rise to a staggering 44%. This is an altar at which the country simply cannot afford to worship any longer. Does any other country have a system like ours? They do not and I do wonder why.

When moneys are short, why are we not looking at reversing our priorities? When we consider that the private sector accounts for 85% of the workforce, why do we continue to pour good money after bad into the public sector without reform? We need a public sector, of course, and it makes a valuable contribution, but it is paid for by the hard work of taxpayers—those on the Opposition Benches simply do not understand that—who are expected to dig ever deeper into their pockets for inefficiencies in so many areas. And this under a Conservative Government with an 80-seat majority.

Some years ago, we called for a bonfire of the quangos. You may recall those days, Madam Deputy Speaker. Depressingly, I read recently that they have only increased

in size and influence—the latter totally unaccountable. All Departments have done is delegate their responsibilities to those who, all too often, are pursuing a very different agenda. Do you wonder that planning, the countryside, environment, energy and health to name but a few are mired in red tape, extra cost and, all too often, controversy? While we throw billions of pounds into, a broken system is too strong, but it needs reform, we cut defence spending, an irresponsible and incomprehensible act. What on earth are we doing? This, after our armed forces so magnificently came to the Government's rescue and did such a great job during the pandemic. Let us not forget that they were not paid £70, or whatever it is a truck driver will get now. They lived on their salaries—what they get as soldiers—and the Government got a fantastic service on the cheap.

Our first priority is the defence of our island, which we ignore at our peril. The country sits at a crossroads. Double jabbed and better protected against covid, we must never, ever, ever lock the country down again. The consequences financially, physically and emotionally would be catastrophic. We must learn to live with the disease, as we do with any other. So I urge the Government to forget every other plan—plans B, C, D and E—except the most important one, which is a return to normality. Burdened by high tax and threatened with the spectres of inflation and rising interest rates, and a consequent cost-of-living crisis, there can be no other option. We are Conservatives and this worrying lean towards a big state must end, as the Opposition will always outspend us. If we do not get a grip on all this, we will, as Baroness Thatcher once famously said, shortly run out of other people's money.

4.48 pm

Munira Wilson (Twickenham) (LD): On Wednesday, the Chancellor said in his speech that a good education is the birth right of every child. I wholeheartedly agree, yet his announcements absolutely do not live up to that commitment. The Budget and spending review should have been a children's Budget, focusing on their recovery from the pandemic, and giving every single child in this country the opportunity to flourish and reach their full potential. Not only is it the right thing to do to provide every child with the best start in life, but children and young people are at the heart of our future economic success.

The additional education catch-up funding announced last week amounted to merely £1 per pupil per school day, whereas the tax cut for bankers in the Budget amounts to some £6 per day. I was, frankly, amazed to hear the hon. Member for Hitchin and Harpenden (Bim Afolami)—he is no longer in his place—make an impassioned case for the bankers' tax cut and lament the fact that the Chancellor did not go further. That gives us a flavour of the priorities of Government Members. Those are certainly not aligned with the priorities of my constituents in Twickenham—I can tell him that—who want to see more spending on education and on our schools because they are scrimping and saving and struggling to get by.

With close to a billion days of face-to-face schooling lost over the pandemic, the Government's education recovery tsar set out the need for some £15 billion of investment in education recovery, yet even with last week's announcement, this Conservative Government's commitment is only a third of what Sir Kevan Collins

recommended. It amounts to only £490 per pupil in England. Compare that with the Netherlands, where they are spending £2,100 per pupil on education recovery, and the US, where they are spending some £1,800 per pupil. Where is the ambition to address the lost learning? Where is the ambition to address the social and developmental impacts of being locked up at home and away from friends for months? Where is the ambition to stem the huge tide of mental health needs and poor wellbeing among children and young people?

The Education Policy Institute estimated that each child could lose up to £46,000 in earnings over their lifetime as a result of the impact of the pandemic. The Institute for Fiscal Studies estimated that the long-term impact to the economy of lost learning could be around £350 billion, yet the Treasury has committed to just £4.9 billion for school catch-up, while giving tens of billions to other sectors of the economy. As the former Children's Commissioner put it earlier this year, this shows an "institutional bias against children".

Liberal Democrats are calling for the Government to honour Sir Kevan's recommendation, giving £10 billion directly to schools for a holistic package of support. But critically, we propose that £5 billion should be put directly into the hands of parents and carers in the form of catch-up vouchers to be spent on tutoring and extracurricular activities, such as sport, art, music or counselling support, depending on what each parent or carer knows and thinks their child needs. Every child would benefit, but the poorest children, those with special educational needs and looked-after children, would get more.

The latest survey from Parentkind, the charity that champions parental involvement in education, shows that one of the top priorities for parents for additional education spending is children's mental health and wellbeing. I know from talking to headteachers and school governors at schools across my constituency that that is their top priority, too. Child and adolescent mental health services are overwhelmed with children experiencing a mental health crisis, often ending up in A&E and then unsuitable general paediatric wards, or with school staff having to manage conditions that they are simply not trained for.

NHS data confirms that the number of children and young people with a probable mental health condition has jumped from one in nine to one in six between 2017 and 2021. Referrals to mental health services between April and June this year were close to double that in the same period in 2019. Social isolation, uncertainty, grief and trauma have all taken their toll on children's wellbeing, yet there was nothing announced for children and young people's mental health in the Budget.

Alongside boosting acute service provision, we need to focus on prevention and good mental health support in schools as well as in the community. All the research shows that it is difficult for children to learn if they are struggling with their mental wellbeing. Ministers need to accelerate the roll-out of mental health support teams in schools. A target of 35% of schools by 2023 is simply not ambitious enough; our children deserve and need better. I suggest that the Government look very seriously at—I have called for this before—the proposals from YoungMinds and other charities on early support hubs: a one-stop shop in the community where children can get all sorts of support for their mental health, help from sexual health services and employment support. This has been proven a success elsewhere in the world.

[Munira Wilson]

Children and young people are our future. The former Children's Commissioner, Anne Longfield, laid down the gauntlet to all politicians. She said that

"these are your children now. You have a chance to put them centre stage. When you do build back better, make sure you do it around them."

This Budget fails to do so. I and my Liberal Democrat will keep fighting their, and their parents', corner.

4.54 pm

Bill Wiggin (North Herefordshire) (Con): The subject of the River Wye has already been raised by my right hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman). There is no advantage in my repeating all he said; suffice it to say that there is not a cigarette paper between us in our agreement on that vital subject.

The Budget comes at the tail end of a once-in-a-century pandemic, the sharpest financial hit in more than 300 years. Despite what others may think, our finances were in good shape before the pandemic hit. That allowed us to keep the country running, so we should be grateful to the local authorities and all those who played their part and mended the roof while the sun shone.

Now, as we make our way out of the pandemic, it is encouraging to see signs of our economy recovering at a great pace: record numbers are in work, job vacancies are at a record high and we have the fastest-growing economy in the G7. We should not forget that that is largely thanks to £280 billion-worth of support from the Government, the taxpayer and our Chancellor, keeping businesses afloat and helping families to weather the storm. This Budget means that we can stay in the lead, helping industries such as the hospitality sector and the hop and cider industries in my constituency.

The cider industry in Herefordshire is said to produce most of the cider consumed in the UK. Cider apple growing is worth only about £24 million to farming annually, yet UK cider production comprises 39% of the global market, and the industry pre-pandemic was worth about £3.1 billion to the UK economy. However, it has taken a significant hit during the pandemic.

Cider is now worth £2.1 billion—a decrease of 32.1%. That is why the Chancellor's announcement about alcohol tax and duty will have a significant impact on producers based in my constituency. The 15 alcohol duty rates will now be reduced to six—a simplification that was a long time coming—and cider duty will see its biggest cut since 1923. Having always been at a 2p disadvantage to beer, cider will now finally be treated as equal.

The alcohol by volume of most ciders is between 4.5% and 7%, which is similar to beer, excluding the low-alcohol versions. Some 47.8% of all households, up from 45.5% last year, now regularly buy cider. I think that that is fantastic. Apparently, the average UK household takes home 33 litres each year—it must be good for them.

Over the past year, cider sales online saw a growth of 81.4%. Cider occasionally wins a share from beer during the summer months, going from 10.5% of market share to 12%. It is easy to see why this should have happened. I welcome the Chancellor's announcement because it will promote job stimulation in the sector. At present,

just 11,500 people rely on the cider industry for employment, yet UK cider producers sell to more than 50 countries all over the world. My constituency is home to some of the finest and best-known cider manufacturers not only in the UK, but in the world, and they will truly benefit from the Chancellor's announcements.

We have a burgeoning craft cider sector as well. Approximately 80% of Britain's cider makers are small producers; the small producers relief is fantastic news to those entrepreneurial cider makers. It is my hope that the simplification will allow small producers to become more profitable and expand their market share. Currently, hundreds of producers make cider up to the 70-hectolitre limit, but produce no more because they cannot afford the tax burden of going over the threshold: as soon as they produce 7,001 litres, they have to pay the current duty on their entire quantity at the same rate as a multinational corporation that produces 1 million hectolitres. The new changes are important; I look forward to seeing the detailed plans to support small local producers when they are released.

I also welcome the benefit that this Budget will have for the hop-growing industry. Just over 50 British farmers grow hops in the UK, of which about half are in my constituency. The relationship with the crop goes back centuries: the first reference to hop growing in Herefordshire was made in 1577. Herefordshire is one of only three major hop-growing regions in the UK, alongside Worcester and Kent. Over recent years, there has been an explosive rise of craft brewing that has revolutionised the British beer industry. As a result, demand for local hops has grown, and it is my hope that demand will only increase as we promote brewers and their fare.

As we all know, the hospitality sector took a massive hit during the pandemic. According to figures from the Office for National Statistics, consumer spending on hospitality started to increase in May 2021, but remains at less than 70% of pre-pandemic levels. It is therefore encouraging that 90% of retail, hospitality and leisure businesses will receive at least 50% off their business rates bills in 2022-23. That will be a huge relief for the pubs that struggled so much that they were forced to close their doors.

Post-covid tourism within this country is expected to grow as well. When that is teamed with the biggest cut in beer duty for 50 years, we are looking at boosting British pubs by nearly £100 million a year, which has to be a good thing. Collectively, we expect to reduce the burden of business rates in England by more than £7 billion over the next five years, and the freeze in alcohol duties for the third year in a row will translate to a tax cut worth £500 million every year for families. The duty on draught beer and cider served from containers of over 40 litres will be cut by 5%, which will encourage drinkers to return to pubs after the pain of the pandemic and give the pubs the boost that they need. However, Ministers are due to hold a consultation on the size of kegs eligible for the tax relief. Many of the craft brewers and cider makers that we are trying to boost use 20 or 30-litre kegs. Unless the consultation shows some sort of sympathy towards them, I expect that that will change fairly rapidly.

We must be careful not just to help the big producers, but to do the Conservative thing of encouraging the entrepreneur. However, as Nik Antona, the chairman

of CAMRA—the Campaign for Real Ale—rightly said after the announcement, the Chancellor's budget shows that

"pubs are a force for good in our communities and should be supported to help them survive and compete with the likes of supermarkets."

I truly believe that the Chancellor agrees with that statement, and I commend him for all he is doing for the sector.

This Budget was never going to be an easy one, and I have my concerns about some aspects of it, such as NHS reform along with value for taxpayers' money. I would of course have liked to see more taxes reduced, while recognising that the armed forces who have played such a crucial role need to be increased. With such large expenditure announced for our public sector, it is only right that we expect a modicum of reform, and the way in which it spends taxpayers' money must be scrupulously rigorous. However, we are faced with recovery from an extremely sharp economic decline, not just nationally but internationally.

Crucial aspects of the economy are growing and giving everyone the leg up that they deserve. I look forward to seeing how these changes continue that help for individuals and, especially, businesses in my constituency.

5.2 pm

Olivia Blake (Sheffield, Hallam) (Lab): It is a pleasure to follow the hon. Member for North Herefordshire (Bill Wiggin). I think that must have been a record for the number of times cider has been mentioned in a Budget speech.

In November 2010, I was outside this place in Parliament Square. Alongside tens of thousands of students, I was marching in protest against the coalition Government's decision to raise the cap on tuition fees to £9,000 a year. Our march on that day was the first of many demonstrations, rallies, and direct actions to protest about first the coalition's and subsequently the Conservative Government's austerity agenda. That agenda set fire to our public services, and led to stagnating wages and an explosion of low pay, zero-hours jobs. It is the reason we were so poorly placed to weather the economic storm unleashed by the pandemic, and it is why the UK suffered the deepest recession in Europe.

However, I am also talking about 2010 because I think that the Chancellor and I may share a love of 1980s movies. When the Chancellor spoke about public services in his Budget last week, I felt like Marty McFly in the film "Back to the Future". On health, the Chancellor told us that

"the health capital budget will be the largest since 2010".

On housing, he told us that we would see

"the largest cash investment in a decade".

On education, he told us that he would

"restore per-pupil funding to 2010 levels". —[*Official Report*, 27 October 2021; Vol. 702, c. 277-78.]

However, the issue is not only public services but wages too. The Institute for Fiscal Studies tells us that in real terms, wages will continue to stagnate at the same level as they were in 2008. The only difference between now and then is over a decade of Conservative Government and economic vandalism.

This is a "Back to the Future" Budget, but on some things we are not even going back to 2010. Take childcare: the Government have now realised that the first 1,001 days

of a child's life are the most important, but after shutting 1,000 Sure Start centres, they have announced funding for only 75 new family hubs. The same is true for youth services. The Chancellor told us that he would provide £560 million for youth services, but according to the YMCA, since 2010 when we began our protests against the coalition, youth services have been cut by £959 million—nearly £1 billion.

As in 2010, people are marching in the streets, but today it is not Parliament Square; it is Glasgow, and they are marching for action on the climate emergency. Rather than action, this Budget offered them tax breaks on domestic flights and the Government are giving them another coal mine in Cumbria and an oilfield in Shetland and financing gas in Mozambique. They are not building anything back better; in some cases, they are building back far worse. The Chancellor has fired up the DeLorean and taken us back to 2010, when what we need is an economy fit for the future. And no, I am not talking about hoverboards or flying cars.

This was a chance to meet the challenge of the climate emergency with a radical green new deal. It was a chance to offer a real deal on wages, rather than giving with one hand and taking away with the other. And it was a chance to reverse the crisis in our public services, to put more money into our schools and hospitals and to invest in our children. Looking at the Members on the Conservative Benches, I am reminded of the uncomprehending faces of the 1955 audience as they look up at Marty McFly playing Chuck Berry on the guitar. To them I can only quote Marty:

"I guess you guys aren't ready for that yet. But your kids are gonna love it."

5.6 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): It is a real pleasure to follow my hon. Friend the Member for Sheffield, Hallam (Olivia Blake) and her incisive comments. I grew up in a council house in North Kenton, in Newcastle. I went to excellent local state schools, and the NHS made me well when I was ill and saved my mother's life when she had cancer. I start with that to acknowledge the personal debt I owe to public services. It is a debt that we surely all feel all the more deeply, given the dedication of public service workers during this pandemic, but apparently the Chancellor does not. Yes, he talked about public services. Indeed, he mentioned them 13 times, but unfortunately this Budget is all talk, smoke and mirrors from a Government with no plan to address the three critical crises we are facing: the cost of living crisis, the climate crisis and the covid crisis. There is so much wrong with this Budget, but in the short time I have today, I will highlight five areas: universal credit, science, transport, local government and protecting our communities.

Last week, the Chancellor tried to present a benefit change as a tax cut, as he was no doubt embarrassed at imposing the highest tax burden in 70 years. But the Resolution Foundation calculates that three quarters of the 4.4 million households on universal credit will be worse off due to the Chancellor's choices, including taking £20 per week away from each and every one of the 16,000 families on universal credit in Newcastle Central. And that is with real wages having fallen in every region of England by over £23 per week on average since the Tories came to power. That is all we

[Chi Onwurah]

really need to know about this Government: they are making the poorest poorer while cutting taxes on Amazon and champagne. Fortunately, in Newcastle, we have generous Geordies who will support our local food bank, but they should not have to.

We do not generally think of science as a public service, but it is certainly a public good and the foundation of our future economic prosperity and global competitiveness. The Chancellor echoed the Prime Minister's talk of a science superpower, but he went quickly over the bit where he actually broke the Prime Minister's commitment to doubling the science spend by 2024-25, delaying it by two years at a cost of £8 billion in private sector investment. In science, as elsewhere, levelling up is nothing but a slogan. The Chancellor's £1.4 million global Britain investment fund purports to spread economic opportunities across the UK by investing in life sciences, the automotive industry and manufacturing. Those are all sectors the north-east has considerable strengths in and they are critical for addressing climate change. Yet, for example, Government investment in life sciences is just £22 per person in the north, which is two fifths of the £55 per person invested in the south—in the midlands, it is just £16 per person. How will we deliver good, green, sustainable jobs across the north-east, and indeed in all our regions, without investment in science?

The north-east also lost out on transport. I have said many times in this House, and I will say it again, that it costs more to go four measly stops up the West Road in Newcastle than it does to traverse the whole of London on a bus. Lucy Winskell, the chair of the North East local enterprise partnership, was clear that

“government has announced significant transport investment across the rest of the North but not in the North East”.

Communities in Newcastle expect to feel safe and protected—this is the first duty of a Government—yet even when the Government's promised police officer recruitment is completed we will still have fewer officers than we did in 2010, while police community support officer numbers have fallen by 40%. This Budget did nothing to make our communities safer by tackling the root causes of antisocial behaviour, which mars the life of so many of my constituents. Youth services are still waiting for the £500 million funding they were promised more than two years ago, which is leaving frontline youth services on their knees and young people without vital support and guidance that they need.

However, the Chancellor expects council tax payers in Newcastle to pay more, having cut central Government funding for Newcastle City Council in half. This council tax rise, made in Whitehall, will not begin to make up for the impact of inflation, never mind a decade of austerity and the demands of the social care system. All this comes while across Newcastle children play in litter because the Government will not take plastic pollution seriously or give our council the powers it deserves.

The Tories came into power in 2010 and wrecked our recovery from the financial crisis in the name of austerity. This Budget is an attempt by the Chancellor to position himself for the next Tory leadership election, claiming the credit for repairing the damage of his Tory predecessors while actually entrenching inequality and further neglecting the north. But the north will remember.

5.12 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): As politicians, we should always try to understand the argument from the other side. On that basis, at great risk to myself, I will try to look at the Budget and recent announcements through the prism of a Scottish Tory. That means, first, that I have to ignore the 2014 promises on pensions, when it was said that voting no on the referendum was the best way to protect your pension. It means ignoring those promises and then voting for what is now going to be a £6 billion-a-year clawback from pensioners. As the Red Book shows, £30 billion over the next few years is getting taken from the pockets of our pensioners. It seems the Tories are not content with just ignoring the WASPI—Women Against State Pension Inequality Campaign—women but are determined to make what is already one of the worst pensions in the developed world even worse.

If I am a Scottish Tory, I need to ignore that, and I need to ignore the £20-a-week cut to universal credit, but I will take great delight in demanding to know what the Scottish Government will do with the £41 million household support grant Barnett money that came our way after the universal credit cut. Let us put that money in context: each UC claimant is losing over £1,000 a year. The £41 million that comes back to Scotland, if distributed on a per capita basis, equates to a one-off payment of £85 per claimant. Yet we are supposed to be grateful for a £500 million cut being offset with £41 million.

If I am a Scottish Tory, I need to ignore the fact that as a group the Scottish Tories secured absolutely nothing from the Chancellor in the Budget. Instead of asking hard questions about why the Scottish carbon capture and storage cluster was overlooked again, I have to pretend I am really happy that the Scottish cluster is now a reserve. If ever there were a metaphor for the Union, the fact that Scottish Tories are happy for the Scottish cluster to be classed as a reserve is it. That is our place in the Union as it is.

The Scottish Tories have always been silent on the fact that Scotland has the highest grid charges in Europe. They have been silent about the £350 billion of oil and gas revenues that the broad shoulders of the UK have helped to spend without creating a sovereign wealth fund. They are silent about nothing being added to the Budget that matches the Scottish Government's £500 million low-carbon just transition fund for the north-east of Scotland.

Because of the higher oil and gas prices, the Treasury is getting an unexpected windfall from the oil and gas revenues accrued. The Red Book confirms that, by the end of this financial year alone, the Treasury will have banked an additional £1.1 billion compared with the forecasts from March this year. Why is that extra money not being reinvested where it was generated? Compared with the March 2021 forecasts, the Chancellor now expects an additional £6 billion of oil and gas revenues over the lifetime of this Parliament. That means that, yet again, oil and gas revenues are paying for the Chancellor's giveaways elsewhere. The reality is that with the extra oil and gas revenues, the extra petrol duties accruing from forecourts and the extra VAT from our soaring energy bills, the Budget was an opportunity to mitigate the cost-of-living crisis—an opportunity that has been ignored.

On the national insurance tax that has been imposed on us, Scottish Tories say, “Don’t worry—Westminster will give you back some money that you’ve already paid to Westminster.” Why are we supposed to be grateful for that?

Another fact about the energy sector in Scotland is that the Treasury has blocked the concept of ringfencing a pot of money for wave and tidal projects in the forthcoming contracts for difference auction. Such a concept would not even need a fiscal Budget line, and not ringfencing that money could prevent world-leading technologies from scaling up and expanding all around the world. That is yet another matter on which the Scottish Tories and the Scottish Secretary of State are silent.

Carol Monaghan: I hope my hon. Friend is going to point out—maybe he is not, so I will—that the Scottish Tories support the SNP’s position on free tuition. It will be interesting to see how they vote on the Budget resolutions.

Alan Brown: I have trimmed my speech and have just trimmed that point out a wee bit, so I thank my hon. Friend for getting that on the record.

Let me return to energy. There is nothing in the Budget on pumped storage hydro—on which, again, the Scottish Tories have been silent—but hurray: tomorrow we get the Nuclear Energy (Financing) Bill. No doubt the Scottish Tories will troop through the Lobby to support that.

Let me turn to the levelling-up fund. Yet again, Scotland gets a cut of that, so let us get the Union Jacks out—“Hurray: we get a cut of the levelling-up fund!” The reality is that our cut is, in effect, based on the Barnett formula. When the Chancellor said last week that in the first round of funding Scotland is getting more than its Barnett share, all that means is that there is less money in the ringfenced pot for Scotland going forward, because it is all based on Barnett anyway. But as a Scottish Tory, I do not care, because I revel in the fact that the Scottish Government are being bypassed and there are small projects that we can put a Union Jack on.

As a Scottish Tory, I never acknowledge that the SNP has been in power for only 14 years. The Union has been in existence for more than 300 years, yet somehow every shortfall has happened only in the past 14 years. We must have quite a talent in reverse. The Budget still does not tell us what the shared prosperity fund will look like. It is supposed to replace the vital European funding streams that all the areas that have been overlooked by Westminster relied on to access vital funds for transport and infrastructure—and the Government talk about levelling up. We are currently losing out on funding and we do not know where the future shortfall is coming from, yet the Chancellor uses the phrase “levelling up”.

In conclusion, the Budget does nothing for Scotland. We have already seen, post Brexit, the damage that has been done to the fishing industry and to our farmers, despite the promises. More and more people can see that Westminster cannot be trusted, and it really is time that Scotland took full control of its own decision-making process.

5.19 pm

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): It is a pleasure to follow the hon. Member for Kilmarnock and Loudoun (Alan Brown). I agree with

the point that he made about the shared prosperity fund and the need for it to be announced quickly so that we can get the funding that we need in all areas.

I do not want to be too negative, Madam Deputy Speaker, but I was a little disappointed when, in the Treasury Committee, I raised concerns about debt advice directly with the Chancellor and he did not seem to be fully aware of the situation, so I hope that, today, those on the Front Bench will take this point really seriously.

Hull has been named one of the debt capitals of the UK. We have double the average number of people unable to service their debt levels. At the moment, a face-to-face service is provided by the Money and Pensions Service. I am aware that that does not operate directly through the Treasury, but I am also aware that policy decisions relating to debt are informed by the Treasury. What I am asking for is an assurance that that face-to-face advice service remains, because what the service is proposing is to move towards regional call centres where people can access debt advice remotely. I am sure that everybody here, including, hopefully, Conservative Members, will acknowledge that if a person is in a desperate situation—they are saddled with debt, have perhaps not been opening their bills, and are incredibly worried about the situation that they face—the idea that they can go through all the issues on the telephone with someone is simply unrealistic. That is ignoring the fact that some people might have autism or learning disabilities or be in an extremely distressed state. I do hope the Treasury will take that point really seriously and speak to the Money and Pensions Service.

Let me turn now to the Budget. I had six clear asks of the Budget to provide what I believe was needed by the people of Hull West and Hessle. One was on fuel poverty. I support the Labour party’s call for the ending of VAT on domestic fuel as one way to try to alleviate the problems. This really lovely lady told me that she was worried about the issue. She is a pensioner and reliant on her pension. She likes to be warm, as elderly people often do—when people get older they like to keep their homes nice and warm. She is at home all day, so is extremely concerned about the rise in fuel costs, telling me that her bills have gone up by more than 40%. This is an area that needs a lot more Government action, because the problem will not go away; it will continue. I hope the Government will put party politics to one side and review a sensible proposal from the Labour party to look at cutting VAT on domestic fuel.

I raised the issue of adult social care in interventions on the Secretary of State and on my own shadow Front Bench. I also raised it at the Treasury Committee. The issue has nothing to do with the type of council in control, or the political party that represents it. My constituency is in the East Riding, and it is also in Hull. Hull is urban and a Labour authority. East Riding is rural and a Conservative authority. Both councils have come to me and said that, as the local MP, could I do everything possible to lobby the Government for support for adult social care. In fact, the Conservative-run East Riding of Yorkshire Council has just passed a motion in its council chamber on this matter.

This should not be a political issue. The situation is a crisis. I said in an intervention on the Minister that East Riding council is unable to provide the amount of care hours that constituents need. It has admitted that in a letter and has been quite open and honest with me, saying that it simply cannot provide the service. Its

[Emma Hardy]

solution is to tell families that they will either have to take care of the person in need themselves or that person will have to go into residential care. That is not a choice that we want people to have to make, so the council has asked me to lobby the Government for increased funding for adult social care, because it says that it is unable to compete with companies such as Amazon, which is offering £11 an hour, because all that it is able to offer is the minimum wage. It told me that it is facing budget pressures of £1.4 million with the national minimum wage increase that the Government have already announced. Of course I support the national minimum wage increase—in fact, I believe that it should be more, as I think all Labour Members do—but we have to acknowledge that the cost has to come from somewhere, and if it is coming from the adult social care budget, it is not going on providing the hours that are needed. The letter has been sent to the Health Secretary. I hope that he reads it, acknowledges it and sends us a reply.

Simon Hoare (North Dorset) (Con): My own council in Dorset tells a similar story. Does the hon. Lady agree that it would be helpful if when we were talking about adult social care, particularly in the media, we did not just concentrate on those who are older, but remember the complete age range of people who require daily support from our local government? I agree with her entirely that the local government family, which is hardest hit in hard times, really should be the beneficiary of extra cash as the purse strings loosen.

Emma Hardy: I absolutely agree; the hon. Gentleman is completely right. We do often forget all those people with learning difficulties and adults of all ages requiring support. He is correct to draw attention to that point.

The situation really is one of crisis. Yesterday I was talking to the OBR—again, in the Treasury Committee—and it said that it believed that 95% of councils are going to raise their precept to the maximum amount. That is another tax increase that is not being mentioned by the Government and we are not talking about. It is another impact on the cost of living, and councils are having to do that because they simply cannot afford to cover social care as it is.

I want briefly to mention universal credit. Even with the changes to the taper and the other changes that the Government have introduced, a lone parent who is working part-time on the minimum wage still loses £361. All the time throughout this Budget, it seems that people on lower pay are paying more in taxes. That just does not feel right.

I often hear Government Members say, “Well, where would you find the money? What are you going to do with it?” It always comes down to choices; in politics, everything is about choices. We have a certain amount of finance and then we make a choice. My personal priority would be not to give more money to whisky price cuts and tax cuts than I would give to children needing educational catch-up. That is just a principle that I have: children before whisky—call me radical! I would also not spend £5 billion sending a rocket up into space funded by the British Government, when we have lots of children here on earth who might require that money a little bit more. Again, it comes down to choices: rockets and whisky, or kids.

We also need to look more seriously at business rates. Interestingly, Government Members talked about a whole radical change to business rates, which I support. This is a disappointing Budget, filled with many issues that need resolving. I hope that the Government will finally do something about them.

5.27 pm

Sam Tarry (Ilford South) (Lab): As my hon. Friend the Member for Sheffield, Hallam (Olivia Blake) said earlier, we have heard an awful lot about cider today. Given some of the things that I have heard from the Government and from the Chancellor himself, I almost feel that I need to invest in a whole flagon of cider; after some of the things I have heard, it is really going to need that much booze to take the edge off just how bad things are.

This was a Budget for the Government to deliver on their promise to build back better for our country, to lay the foundations for economic growth, and to provide investment and support for businesses, workers and the most vulnerable across our country. It was a Budget that could have transformed our economy in the face of the impending climate crisis. Instead, we heard nothing beyond the rhetoric that could meet the reality that our country and our burning planet faces. Many people in the diaspora communities in my constituency of Ilford South have family who are already facing the impacts of catastrophic and deadly climate change.

Beyond the spin, the painful reality is that real average weekly earnings will not return to pre-financial crisis levels until 2022. Recent analysis by the TUC has revealed that this will result in the worst pay crisis since Napoleonic times, with real pay far from rising and instead falling by 0.1%—years of real incomes barely growing, coupled with the cost of living crisis, high inflation, rising taxes and poor growth that will keep living standards virtually stagnant for another half a decade. The worrying reality is that millions of people will be struggling to make ends meet.

Meanwhile, the Institute for Fiscal Studies has pointed to Whitehall Departments such as Transport and Justice seeing steep, real-terms cuts relative to 2010. Far from being the much-heralded payday that the Chancellor tried to present this Budget as, in reality it is yet another austerity Budget that will herald the biggest wage squeeze in British economic history, leaving the average worker almost £13,000 a year worse off by the middle of this decade. For those who are already desperate and looking to this Government to use this opportunity to provide urgent help, the Resolution Foundation found that a staggering 75% of almost 4.5 million households claiming universal credit will now be worse off, despite the tweak the Chancellor announced. The Trussell Trust summed it up perfectly when it said that

“there just wasn’t enough for some of those in our society who need it the most”

and food banks will have to “pick up the pieces”—as they are in Ilford South, with another four or five food banks springing up just in the past year.

What shall I tell my constituents in Ilford South who are now faced with such hardship? I certainly will not be reassuring them with news about the Chancellor slashing taxes on sparkling wines and cutting air passenger duty for domestic flights. As my hon. Friend the Member for Leeds West (Rachel Reeves) made clear in this place last week,

“bankers on short-haul flights sipping champagne will be cheering”.—[*Official Report*, 27 October 2021; Vol. 702, c. 288.] No one in Ilford South is cheering at this Budget, I can tell you that. It is another example of this multimillionaire, out-of-touch Conservative Cabinet looking after its own, not really doing things that will lift people out of poverty and get them back into work. I contrast that with the situation in my Ilford South constituency, where almost 19,000 families are currently in receipt of universal credit or working tax credits, and more than 11,000 of those have children—53% of all the families with children in my constituency. They now face a total of almost £20 million of cuts. This Budget has done absolutely nothing to address the catastrophic impact that will have on those families, the vast majority of whom will be forced into debt and further below the poverty line.

For those with their own businesses, who are the backbone of our local economy in Ilford South, I will do what I can by launching things like my new MP business awards that will support and highlight those businesses, but the reality is that we needed the Government to step in. By refusing to step up and finally deal with the business rates fiasco, the Government have completely failed them, and many will be forced to close or make redundancies. Is this really what the Government believe will enable our country to build back better and emerge from the pandemic stronger?

This Budget was equally bleak for those in the transport sector. Having already faced a sharp drop in revenue for the best part of two years, and with passenger numbers far off pre-pandemic levels, the transport sector needed a lifesaving shot in the arm to enable it to survive. Instead we Londoners heard not a single word, let alone got a pound sterling for Transport for London, when we know that every pound spent in the capital creates jobs outside it. Capital spending announcements for the transport sector across the piece were at their lowest level for half a century. I fear announcements that I think will come this week confirming the scale of job losses across Network Rail and many parts of our rail sector—good jobs that could be lost but should be there to get people out of their cars and travelling on public transport, so that we can really start to tackle the climate crisis. This is a dire state of affairs in a sector that is crucial for keeping our country moving and enabling us to recover as quickly as possible.

The Chancellor can claim that the Tories are the public service party, but as always the devil is in the detail of his Budget. He and his party have overseen more than a decade of austerity that left us woefully underprepared to tackle the current crisis. The fact that in some areas the Budget has only raised spending back to pre-2010 levels shows how economically illiterate the austerity decade was. With so little support offered by this Government, once again, we are now facing one of the worst winter crises in living memory, alongside a catastrophic climate crisis that is growing worse every day.

Now was the chance to make the kind of real radical change that is so desperately needed—that people are crying out for. There is an alternative—one that puts everyday people and our planet at the heart of our economy. Labour would forge a green industrial revolution and a new deal for workers, and would properly back our public services to give them the support they so desperately need. But we saw none of that; instead we were presented with tax cuts for mega-rich global giants

such as Amazon and incentives for gas-guzzling flights. It is a champagne Budget for the rich, devoid of any meaningful support for millions across our country. It is another smoke-and-mirrors trick from the Gordon Gekkos of the green Benches. Our country deserves better and I cannot wait for a Labour Government to deliver it.

5.34 pm

Barbara Keeley (Worsley and Eccles South) (Lab): You would not know from the Budget that our health and care system is in crisis, made worse by the fact that we are still in the middle of a pandemic that claimed 1,097 lives last week. One of the key factors in coping with the crisis caused by the covid pandemic has been the commitment of our health and care staff and the dedication of unpaid carers to support their family members, yet the Budget contained no costings for training and education budgets for the NHS workforce, no extra resources to improve support for unpaid carers, and no extra investment to meet the immediate needs for funding to relieve the crisis in social care.

The response to the Budget from the social care sector has been damning. Care England, which represents care providers, said there

“will be serious and far-reaching consequences”

from the lack of measures in the Budget to support adult social care. The Care and Support Alliance said:

“If the Prime Minister’s ambition to ‘fix social care’ is ever to be realised Rishi Sunak has to play his part by providing enough funding to make it happen. He hasn’t done so and therefore, unfortunately, the future of social care remains as uncertain as ever”.

There are now more than 100,000 care jobs vacant and continuing pressures on care providers, who are struggling to recruit enough staff to keep care facilities open.

The Care Quality Commission recently warned of a “tsunami of unmet need” in social care, which will in turn heap more pressure on the 13 million unpaid carers who give up so much time and energy to care for their family members, with little recognition or support. There is cross-party consensus that we need far more than the funds announced in the Budget to deal with this crisis in social care. The Health and Social Care Committee recently repeated our call for at least £7 billion a year of extra funding for social care to cover demographic changes, to uplift staff pay in line with the national minimum wage and to protect people who face catastrophic social care costs. What the Government have announced is that additional money from the health and care levy will only fund the cap on catastrophic care costs and some of the consequential costs of that, and the cap only starts to apply from October 2023. Although the Chancellor announced £4.8 billion of extra grant funding for local councils over the next three years, that is not ringfenced for social care, leaving councils to decide how to allocate it across all their cash-strapped services.

The Association of Directors of Adult Social Services said the Budget and spending review were “deeply disappointing”. It looked at the £1.6 billion a year extra and said

“it will do little more than meet the costs of the rise in the national living wage for care workers from next April.”

The Local Government Association told the Select Committee recently that the funding gap for adult social care was £6.1 billion and that this underfunding puts the workforce and unpaid family carers under further strain, creating unmet and under-met need.

[Barbara Keeley]

For years, all we have had are sticking plasters from the Government in response to this ever-worsening crisis in social care, rather than recognition of how serious the underfunding issues are. The Budget missed an opportunity to do something about the crisis. The impact of that failure will be serious and far-reaching in social care. We have just heard my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) raising that issue, and there will be more of us standing up here, week in, week out, describing the situation she has described in her local council areas. It will be all of us.

We need immediate investment to ensure that care staff are paid a proper wage that will compete with better rates paid in retail and hospitality. What are we doing when people can be paid more for flipping burgers than for looking after an elderly person, perhaps with dementia? We need investment so that unpaid carers get the breaks and support they need after 18 months that have very much broken them, and we need investment to address that tsunami of unmet need. It is shameful that we have not paid, as other countries have, a bonus for health and care staff. Indeed, the Minister for Care and Mental Health recently said, when asked about vacancy issues, that they can work millions more hours, just as they did during the pandemic.

I have outlined the failure of the Government to put the needed investment into social care, but the final point I want to make is about the failure of the Chancellor to reverse his £1,000 cut to universal credit, which will do so much damage this winter. Three quarters of families on universal credit lose more from the £20 cut than they gain from the Budget changes. The Resolution Foundation points out that the poorest fifth of households will still be an average of £280 a year worse off overall. One constituent told me that they, like many others, had been hopeful that the cut would be reversed in the Budget. They are now fearful that throughout this winter they will have to keep choosing between heating their home and eating. They have lost £80 a month due to the cut, but their energy prices have already risen by £95 a month. It was a callous and cruel cut to make in the middle of a cost of living crisis, and a shameful aspect of the Budget.

5.39 pm

Ian Byrne (Liverpool, West Derby) (Lab): It is a pleasure to follow my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley). Unsurprisingly, I have a slightly less rose-tinted take on last week's Budget than Conservative Members. I see a Budget constructed by a Government who do not care about the hardships that the 15 million people and rising in poverty face.

This Budget comes from a multimillionaire Chancellor with a personal housing portfolio so large that he could potentially solve the country's housing crisis. To him, the word "hardship" means not having a pool in his country mansion, something that he took decisive action to fix over the summer. Unfortunately, he failed to take similar decisive action for the nation in the Budget. He did not fix the issues facing millions: insecure work, an insufficient welfare safety net, low pay, a lack of safe and affordable housing and rising utility bills. They are fuelling the huge inequalities that we see in 2021.

Let us look at what the Budget means for my constituents. The average state pension is £8,000 a year, which is the lowest in the industrialised world. With the suspension of the triple lock, it is expected to rise by 3.1% from April 2022—an increase that is wiped out by inflation. The Government have refused to honour the triple lock, and the old adage "Never trust a Tory" will ring true for many pensioners.

A 1.25% increase in national insurance from April will remove between £16.7 billion and £18.2 billion a year from household budgets. The universal credit cut will leave 4.4 million families worse off by £4 billion a year, and there is still no justice for the people receiving legacy benefits who were denied the £20 uplift. The people who can least afford it will bear the brunt of the Budget while the bankers receive £4 billion in tax cuts.

My city of Liverpool continues to suffer from £500 million of cuts since 2010, which the Budget does nothing to address. Tory austerity has caused real misery in my city. A £2 million empty trinket thrown to tee up a hollow PR exercise by the Minister for the Department for Digital, Culture, Media and Sport means nothing to the many in my city who see it for what it is and who remember what the coalition Government started in 2010.

Professor Ian Sinha, a paediatrician from the fantastic Alder Hey Children's Hospital in my constituency, points out that a train journey of 15 minutes on Merseyrail through our city region represents a 15-year difference in life expectancy. That encapsulates the inequality and its consequences that we saw even more starkly in the teeth of a pandemic. The Budget does nothing to fix them.

There are no long-term funding promises to help to combat those inequalities; indeed, further austerity is being forced through by the Government, with another £33 million of savage cuts mooted in Liverpool. Austerity is a Tory decision and a political choice that keeps people in poverty—and poverty kills. More than ever, post covid, we need the ability to invest in our infrastructure and in our social care, mental health and domestic abuse services to rebuild our communities. To tackle the health and social economic inequalities we face, we need council housing, Sure Start centres, libraries, leisure centres and education facilities fit for the 21st century, not further austerity. We need a real levelling-up, not weasel words.

Why did the Chancellor, in his much-lauded levelling up agenda, not choose a different path? Lord Prem Sikka, my good friend in the other place, has outlined an alternative vision. By taxing capital gains at the same rate as earned income, some £17 billion a year could be raised. By extending the 12% rate of national insurance to incomes above £50,000, £14 billion could be raised. Of course, a wealth tax could also raise up to £304 billion over five years. What a difference a Chancellor who followed that ideology would make to so many lives and to the future generations of our nation.

Last Saturday marked five years of Fans Supporting Foodbanks collecting food outside football stadiums in communities across the UK. A fan who donates religiously asked me to pass on this message to the Chancellor:

"Seeing as he likes quoting the Beatles, how about this from the great John Lennon? Imagine a country where no child goes hungry. Imagine a country without food banks. Imagine a country with fairness at its heart, not inequality. Imagine a country governed for the many, not the few."

5.45 pm

Mohammad Yasin (Bedford) (Lab): It is always a pleasure to follow my hon. Friend the Member for Liverpool, West Derby (Ian Byrne). Since the Chancellor delivered his sprightly Budget, promising a real-terms rise in overall spending for “every single Department”, the emerging details have given us no cause for optimism. More money for public investment, for which my Labour colleagues and I have been asking for over a decade, is welcome. However, that every announcement was for the biggest sum in a decade only exposes how the Tories have starved every element of the public sector every year since they came to power.

My constituents have not forgotten the decade of Tory decimation of our public services. Although the Chancellor may finally have come around to Labour’s way of thinking, all his funding announcements have achieved in real terms, whether on education, local government or justice, is to take us back to pre-Tory Government spending levels. Despite his promises, public services will still be underfunded and under pressure. Given the Government’s habit of handing out profitable contracts to the private sector with little, if any, scrutiny or accountability, we cannot assume that any increases will ever reach frontline services.

The pandemic exposed how fragile local government services have become since 2010. From the public’s perspective, every public service is in crisis. Whether someone is trying to get a doctor’s appointment or a hospital appointment, trying to access the courts system, trying to get the police to come out to a burglary or antisocial behaviour in their community, or trying to access social care or council housing, the lack of investment in local government and public services has decimated communities and damaged the social contract between government and citizens. Taxes continue to rise, and people know that they are getting less in return.

The Chancellor promised bold action to address some of the problems caused by his Government, but the £5.4 billion from the health and social care levy will not kick in for three years. The social care crisis needs addressing now. The end of the public sector pay freeze is totally offset by the spectre of rising inflation and the looming cost-of-living crisis, with tax hikes for workers and tax cuts for banks and big business. What the Chancellor gave with one hand, he took away with the other, and the majority of us will take the hit for both.

One of the most astonishing aspects of the Budget was that, just days before the most important climate conference in a generation, the Chancellor failed to mention “climate” or “environment” once. Green transport is key to reaching our net zero targets, and a green rail network must be part of that ambition. The Treasury will continue to plough billions into the UK’s rail network to help train operators to cope with a fall in passenger numbers because of covid-19, but the funding falls way short of what is needed to level up local economies and decarbonise the transport system.

What a wasted opportunity it is that the Chancellor refused to commit to electrifying new rail infrastructure such as East West Rail from day one. Instead of encouraging domestic clean-energy rail use, he cut passenger duty on domestic flights and froze fuel duty. The Budget was a wasted opportunity to build a truly optimistic, sustainable future and meet the future needs of the country.

5.49 pm

Yasmin Qureshi (Bolton South East) (Lab): Last week, the Chancellor came into this Chamber with great optimism, but many of us needed to hear much more than just hot air. Instead, we ended up with a Budget that the shadow Chancellor, my hon. Friend the Member for Leeds West (Rachel Reeves), has described as offering “no plan to tackle the growing cost of living crisis”, and doing nothing to remove the enormous tax burden that the Government have put on working people.

More than 13,000 families in my constituency have just been hit by the devastating cut to universal credit, taking £1,000 out of their pockets. While we welcome the fact that the Government have followed Labour’s lead and reduced the taper rate, the Chancellor will know that nearly one quarter of universal credit claimants cannot work because of disability or caring responsibilities. What does he have to say to them as they face an incredibly difficult winter off the back of the biggest ever cut to our social security system?

The Joseph Rowntree Foundation estimated that the changes to the universal credit taper rate would fail to cover the rise in energy costs, national insurance and inflation for many families. Can the Minister tell the House how many children will be pulled into poverty thanks to his Government’s £1,000-a-year cut to universal credit? Even before that cut, one in eight working households lived in poverty in the United Kingdom.

The Resolution Foundation found that taxes on working households would increase by £3,000 or more after this Budget compared with when the Prime Minister first entered office. Yet bankers get tax relief, and the grossly undertaxed Amazon and online retailers escape again. This Government do not care about the growing cost-of-living crisis. The Chancellor gleefully boasts about how his economic policies are working, but I want him to tell that to the families in Bolton who are struggling to make ends meet after the £20 cut to universal credit, or the nurses who will be hit by a pay cut as inflation rises.

The money for local government is meagre compared with the £15 billion of cuts to local authorities since 2010 and the punishing effect that that will continue to have on social care, blocking more NHS beds as care homes close. What about the other, less visible services, such as those covering squalid prisons, delayed courts, excluded children and those children who cannot get to child and adolescent mental health services? Working families needed a plan to boost pay across the whole economy, but instead, after 11 years of this Government, they got a triple whammy of tax hikes, fast-rising energy and food bills, and a universal credit cut that was tweaked, not reversed.

I welcome the fact that the Chancellor has listened to the campaign from me and my university for priority funding to be given to the Bolton College of Medical Sciences partnership bid, which will add a huge amount to our local economy and provide jobs. However, £20 million was only half the bid. We asked for £40 million. I must declare an interest here, since the University of Bolton is in my constituency and this year awarded me an honorary doctorate, but that is not why I am pushing for the money—this is something I have been campaigning on for many years with the university. I remind the Chancellor that the towns fund gives back only a tiny

[Yasmin Qureshi]

proportion of what this Government have stripped away in cuts to our councils, which has seen spending cuts of £16 million over the past 11 years for Bolton Council alone.

While we sit here in the Chamber, in Glasgow, we are hosting the world at COP26. Yet the Chancellor did not mention climate change once in his speech—neither its impact abroad nor its impact at home. Where is the commitment to funding flood defences? In my constituency yesterday, the Environment Agency issued a flood warning. These communities have suffered year on year and they live in abject fear of flooding.

I have raised this question in the House for a number of years. I brought a petition to the House, I went to the Prime Minister—to 10 Downing Street—with a petition, and I have asked Ministers in the Department for Environment, Food and Rural Affairs to come to see the area in my constituency that gets flooded. To date, no Minister has bothered to attend my constituency to see that, and no money has been given. We are told that some money will be given, but when I last spoke to the Environment Agency locally, it said that there has been no firm commitment. We need £5 million to build flood defences in Bolton, and I ask the Chancellor to consider providing that.

There are many other things that I could say about the Budget, but I will end with a short plea. Many Members will know that for the last nine years I have campaigned for the victims of the hormone pregnancy test Primodos and their families. Their battle has been long, and they are often compared with the forgotten thalidomide victims. Last year, an independent review by Baroness Cumberlege, a former Conservative Minister, found that victims of Primodos, mesh and sodium valproate had all been negligently harmed by their medical treatments. The review recommended that a redress scheme should be set up to compensate the families. To date, the Government have not done that.

The Chancellor has constituents affected by this issue; many years ago, when he was not a Minister, he approached me to register his interest in the all-party parliamentary group on hormone pregnancy tests. The Prime Minister has constituents affected by it, too, as do Mr Speaker and the Leader of the House. Will those Ministers work with the Department of Health and Social Care to set aside funds for a redress scheme?

These people have suffered for decades, through no fault of their own but because of Government negligence and cover-ups—I do not mean this Government; successive Governments have failed to deal with the issue since the '60s, '70s and '80s—and there is now an opportunity. The review was set up by the former Prime Minister, the right hon. Member for Maidenhead (Mrs May). It clearly recommended redress for these families—for all three groups of victims—yet, to date, the Department of Health and Social Care has done nothing and the Treasury has done nothing. I ask the Chancellor to consider this issue. It is time we did the right thing and supported these people.

5.57 pm

Alex Sobel (Leeds North West) (Lab/Co-op): It is a pleasure to follow my hon. Friend the Member for Bolton South East (Yasmin Qureshi).

Let me start by talking about the impact of the Budget on Leeds, and particularly Leeds City Council, which has seen a £328 million real-terms cut in its budget compared with 2010, the last year of the Labour Government. That is £328 million cut from frontline services for the people of our city. I was pleased when the Chancellor announced an increase in local transport funding for Leeds and West Yorkshire, but on closer inspection, it is clear that the money that is promised will do very little to plug the funding black hole created by 11 years of Conservative cuts.

For Leeds, the Chancellor's statement was marked more by what was not said than by what was. There was no mention of the integrated rail plan for the north, now 10 months overdue, and no mention of the infrastructure needed to connect our towns and cities. Unsurprisingly, my call to electrify the Leeds to Harrogate rail line, which has been announced twice and revoked twice by successive Conservative Governments and which I would describe as a golden opportunity to level up communities up and down the line between Leeds and Harrogate and up to York, to get the city moving and get workers into jobs, was missing yet again.

The claim that there will be a real-terms rise in core spending power is interesting. After a decade of slash-and-burn austerity, Leeds—like many other towns and cities, as we have heard—is in desperate need of funding at least on a par in real terms with what we saw in 2010. However, the Chancellor has been very light on details. There is barely any indication of how much new money councils will receive for services, or how much will be given to cover the deficit caused by a decade of Tory rule.

That is compounded by the fact that councils could not furlough their workers during covid. Those workers worked on the frontline, with no additional funding, because of the cost pressures that councils were under. There are now significant cost pressures on Leeds City Council, and a further loss in frontline workers. Frontline workers who worked to save lives during covid are being repaid by cuts, which means that their jobs will go.

I would also like to comment on the lack of announcements regarding tourism and hospitality. Tourism to the UK is down 97% compared with before the pandemic and is the second-worst-hit sector in terms of unemployment, yet the Chancellor did not mention tourism once in the Budget—not once. Time and again, I have stood in this House and asked the Chancellor why his business rates relief scheme fails to extend to huge parts of our tourism industry. Last Wednesday, I came in hope of hearing something different. My hopes were dashed. The Chancellor has not listened to the industry. Thousands of businesses, and millions of workers whose livelihoods are at stake, were not being supported that day.

I was hopeful that the Chancellor would change the reductive eligibility criteria for business rates support, criteria that deny crucial support to tourism businesses without physical customer premises. I was hopeful that travel agents, coach operators, fairground operators, language schools, tour guides and event organisers—groups that the pandemic and Government restrictions have absolutely devastated—would finally receive some good news. The continuation of the business rates relief scheme, albeit at a reduced rate of 50%, provides a degree of reassurance to some businesses, but the fact is that 600 English language schools, 900 tour operators, 2,125 coach operators, 300 event organisers—I could go on and on—will continue to be denied support. The

implosion of international tourism made those businesses vulnerable, far too many to the point of collapse, and the Government failed to provide them with vital support.

It is not just business rates, however. The Chancellor's Budget failed to make any mention of retaining the current VAT rate for tourism and hospitality businesses in the UK, an ignorant oversight which serves only to compound the struggles that the tourism industry and holidaymakers in the UK are currently enduring. It is also about climate action. Supporting domestic tourism means fewer people flying longer distances. Make no mistake, the cut to air passenger duty on domestic flights is not about supporting British tourism or British tourists. It is not ordinary people who take unnecessary short-haul flights in the UK, but business executives and occasionally the Prime Minister, who, it transpires, is flying back from COP26 in Glasgow to London, rather than taking the train like the rest of us.

The Government claimed to support business, promised to deliver recovery and committed to net zero emissions, but—I apologise for what is now a tired cliché—actions speak louder than words.

6.1 pm

Ruth Jones (Newport West) (Lab): It is a pleasure to follow my hon. Friend the Member for Leeds North West (Alex Sobel). I am grateful for the opportunity to speak briefly in the final day's debate on the Budget 2021. Sadly, the Budget does little to help the hard-pressed communities in Newport West who are suffering from the worst effects of more than a decade of Tory austerity. This is not a Budget for working people; it is a budget for the banks and the bankers—or, otherwise put, those who fund the Tory party. Thousands of working people in Newport West will be forced to fork out for the national insurance tax hike next year, but the banks, thanks to this Prime Minister and this Chancellor, are getting a £4 billion tax cut.

The people of Newport West, like many across the country, are facing a cost-of-living crisis now, but there was nothing in the Budget to address the crisis. There was nothing to help people with heating their homes, nothing to help people with filling their cars and no help for people with feeding their families. That is why Labour in Government would cut VAT on energy bills for at least six months and that is why we would tackle the cost-of-living crisis from day one.

The spending review makes provision for an extra 8,000 police officers, as part of the overall commitment to hire 20,000 new officers. Yes, that is to be welcomed, but even if the Government meet their target, police officer numbers will still be lower than they were in 2010, as over the last 11 years the Tories have cut police numbers by 21,000. Now, I am not a mathematician, but even I know that that is an overall net loss.

I am not even going to begin to talk about the pay freezes and below-rate-of-inflation pay awards to our hard-working public sector staff. So much for recognising and rewarding our amazing key workers.

It is, frankly, a disgrace that online giants such as Amazon will get a £12 billion tax cut when some of the poorest in our country are forced to pay more. People with the broadest shoulders should be paying their fair share of tax, not the hard-working people who will end up paying an extra £1.7 billion over the next five years under this Tory Government.

Like many local people in Newport West, I am desperately concerned that there was no real attempt to address the impact of the cruel Tory cuts to universal credit, which was the biggest overnight cut to welfare since world war two. Millions of people, including over 9,000 families in Newport West, have had their universal credit cut, which has had a devastating impact on families here and across Wales. We will not let the Tory Ministers forget that. Although I welcome the decision to cut the universal credit taper rate from 63p to 55p, it still means that a single parent claiming universal credit on the minimum wage will lose an estimated £361 next year. That is unacceptable and I say to the people living in Newport West: I will keep fighting to cancel this cut.

There was little in the Budget to help the poorest in the world. There was little action to preserve our planet and protect our environment, and there was nothing to mitigate the worst impact of the failing and unravelling Tory Brexit deal. I am proud that Labour would take a fairer and wiser approach to our public finances, not wasting billions of pounds of taxpayers' money by handing out dodgy PPE contracts to mates and contacts on WhatsApp. After a decade of faltering growth and broken Tory promises, Labour would get the economy firing on all cylinders and get our country back on track.

6.5 pm

Margaret Greenwood (Wirral West) (Lab): This Budget was a big disappointment for the millions of people who are worried about the cost-of-living crisis. It failed to provide sufficient funding for public services that have been devastated by over a decade of Conservative austerity, and it failed to address the climate emergency.

The Office for Budget Responsibility warned that the cost-of-living crisis could rise at its fastest rate for 30 years, yet the Chancellor failed to raise the minimum wage to at least £10 an hour, which the Labour party committed to do by 2020 back in 2017. He could have kept the £20 uplift to universal credit in place, helping 6 million households across the country, but he chose not to. Instead, he gave a £4 billion tax cut to banks and a £12 billion tax cut to online giants. Numerous charities and civil society organisations, including the Joseph Rowntree Foundation, the Child Poverty Action Group and Action for Children, campaigned for the £20 uplift to remain in place. Labour won two votes in the House earlier this year calling on the Government to cancel the cut. Shamefully, on both occasions, the Government whipped their MPs to abstain.

The Government will point to changes to the work allowances and the taper rate, but the Disability Benefits Consortium pointed out that

“nothing is done at all to help disabled people who are not in work”—

and this is

“particularly concerning, given that employment rates are much lower for disabled people than for the general population, while for many, their disability or health condition mean that paid work is not a realistic prospect.”

Let us not forget, too, that 6 million households have been hit by the Conservatives' cut to universal credit, but less than a third of that figure—just 1.9 million households—will benefit from the changes to work allowances and the taper rate.

The Government are failing schools, too. The National Education Union has described the additional money for education recovery—just £1.8 billion of new funding

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—as “completely inadequate”, while the Government’s former education recovery commissioner, Sir Kevan Collins, called it “incredibly disappointing”. He said:

“The short-term saving offered by a limited recovery programme will be dwarfed by the long-term cost of successive cohorts leaving education with lower skills, an effect that will be most apparent in our poorest communities.”

The Chancellor announced that, coupled with spending increases announced in 2019, the extra money for school funding would

“restore per-pupil funding to 2010 levels in real terms”—[*Official Report*, 27 October 2021; Vol. 702, c. 278.]

However, as the National Association of Head Teachers rightly pointed out, this merely

“represents a failure to invest in children’s futures for over a decade.”

When it comes to local authorities and the provision of essential services, it is a similar story. Conservative austerity has taken its toll on Wirral. Between 2010-11 and 2019-20, it cut central Government funding for Wirral Council by 85%. According to the Local Government Association, the funding for local authorities announced in the Budget will not help councils to meet all the extra cost and demand pressures they face just to provide services at today’s levels. The LGA has also expressed disappointment that there is no additional funding

“to address existing pressures on adult social care services”

and that public health funding has not been increased. The LGA is among those to have pointed out:

“The potential rise in local government core spending power over the next three years will also be dependent on councils increasing council tax by 3% per annum”—

so local people will again feel the effects of central Government cuts, the burden of which the Government are passing on to councils.

The crisis in adult numeracy and literacy skills must be addressed as a matter of urgency. Although the Chancellor partially acknowledged that with the announcement of a new UK-wide numeracy programme to improve basic maths skills, the funding fell well short of what is needed. On its Twitter account, the Treasury posted that it would

“help up to 500,000 adults improve their numeracy”,

which falls far short of meeting the needs of the 17 million adults in the UK who the Government’s own figures suggest have the numeracy level expected of primary school children. And where were the funds to address the adult literacy crisis? The National Literacy Trust estimates that more than 7 million adults—16.4% of the adult population—have very poor literacy skills. Where is the Chancellor’s ambition to help them?

With COP26 under way at a critical moment for our planet, the Chancellor announced, astonishingly, that he would cut taxes on domestic flights—an irresponsible act that particularly insults young people and those who are most affected by climate change around the world. The OBR has estimated that it will result in 410,000 more passenger journeys a year at the very time when our Government should be showing leadership on the international stage. The Chancellor also failed to increase international aid to 0.7% of gross national income, once again letting down the world’s poorest people.

Although there was extra money for the NHS, what the Chancellor failed to mention was that if the Government’s Health and Care Bill becomes law, from next April the structure of the NHS will fundamentally change. Instead of a national health service run as a public service in England, there will be approximately 42 local health and care systems, each based on a business model, with major opportunities for big business to take over the delivery of services instead of the NHS. If that is allowed to happen, we will increasingly see large amounts of public money that should be spent on public care going into the pockets of shareholders, as my hon. Friend the Member for Norwich South (Clive Lewis) expressed so eloquently. We will also see increasing numbers of health service staff no longer able to work for the NHS and thus ineligible for “Agenda for Change” rates of pay.

This Budget fails to give local councils the funding that they need to deliver crucial public services after over a decade of Conservative austerity. It fails to tackle the growing cost-of-living crisis and fails to address the urgency of the climate crisis. The Chancellor talked of “a new age of optimism”—[*Official Report*, 27 October 2021; Vol. 702, c. 274.]

It might be, for him, but for far too many, this Budget fails to deliver.

6.11 pm

Kate Osborne (Jarrow) (Lab): It is an honour to follow my hon. Friend the Member for Wirral West (Margaret Greenwood).

This is a Budget that has nothing to do with levelling up or building back better; it is the same old Tory economic policy that will squeeze people on middle incomes while giving a tax cut to the super-rich. How can the Chancellor justify cutting taxes for the super-rich while increasing national insurance contributions? The consequence will be that a person on an average income can expect their real income to fall next year once tax increases and inflation are taken into account. Alongside falling incomes, there will be rising energy prices, rising council tax, the withdrawal of furlough, continued use of the disgraceful practice of fire and rehire, and the axing of the £20 universal credit uplift.

This Budget does nothing to mitigate those issues. It risks leaving the vast majority behind in pay and in the public services that we all rely on. We should have seen reforms in it to create a fairer tax system in which the wealthiest in our society pay a fairer share through a wealth tax that helps to fund public investment to create good green jobs and a net zero economy. Instead, we have seen no action on the climate emergency—in fact, the Chancellor has opted needlessly to cut taxes on domestic flights. In the week of COP26, that is just astounding, as is the Prime Minister’s decision to fly to Glasgow rather than use the rail network.

Although there are some changes in the Chancellor’s Budget—such as the reduction in the universal credit taper and the rise in the minimum wage to £9.50 an hour—that will have some impact on incomes, sadly they will not be enough. The public sector pay freeze should be truly ended with an above-inflation rise and the minimum wage should be lifted to the level of a real living wage that people can survive on.

Despite the claims of levelling up, this Budget offers nothing to get our key public services back to where they were before 2010. The Government have said that

spending on schools will return to 2010 per-pupil levels by 2025. That means that there has been no extra investment in our children's education for 15 years, despite what the Secretary of State for Education said earlier today.

Even the funding planned for the NHS falls well below what has been delivered in the past and what many believe is needed now. Since 2010, the Government have put in less than half of the NHS's historic spending growth rate of 3.6% per year since its creation. After more than a decade of cuts and the pandemic, our services are under enormous strain, and it is showing. Our public services are crucial to improving people's everyday lives, and they are key to creating a more equal and just society.

This Budget was a missed opportunity to increase living standards for the many, to improve our public services and to invest in our communities. It does very little for the north-east and for constituencies such as Jarrow, where levelling up is still something of which we have yet to see any evidence.

6.15 pm

Rachel Hopkins (Luton South) (Lab): I refer to my entry in the Register of Members' Financial Interests.

After a decade of austerity, and in response to rising living costs, inflation and debt, our communities needed targeted economic support to ease the pressure, but that has not been forthcoming. Instead, workers will be asked to bear the burden of paying for the economic crisis through a rise in national insurance from next April, and through local authorities being forced by this Conservative Government to increase council tax to pay for vital local services, including social care.

Paul Johnson of the Institute for Fiscal Studies has said that the outlook for living standards is "actually awful", with

"High inflation, rising taxes, poor growth keeping living standards virtually stagnant for another half a decade".

It is a matter of priorities—tax hikes for workers and tax cuts for banks. It is the Conservative party helping its friends in the City, at the expense of our communities and public services. Rising inflation will exacerbate the situation: economists have stated that inflation will average 4% and could go as high as 6%. With that in mind, public sector workers, who deliver important public services and who are taxpayers, urgently need answers on what the spending review's pay announcement actually means in practice. After 11 years of sustained pay freezes and, in effect, pay cuts in the public sector, the Government could have committed themselves to a real-terms pay increase for public sector workers to address rising inflation and the cost of living. The announcement on public sector pay is a con. By failing to commit themselves to a real-terms increase and asserting that they do not want to "prejudge" independent pay review processes, the Government caused their announcement to lose all legitimacy.

This Government have a track record of completely ignoring pay review body recommendations. Let us look at the prison officers' situation. Last year's recommendations from the Prison Service Pay Review Body included a £3,000 pay rise for band 3 officers on the new contracts. The Government rejected the experts' advice, stating that it was unaffordable. That leads to the other issue: the Government do provide indicative

advice on the overall remit of pay review bodies. This is all just smoke and mirrors, as it is not a case of prejudging: nothing is stopping the Government from advising that a real-terms increase for public sector workers is appropriate.

We also need to hear more from the Government on civil service pay. The hundreds of thousands of civil servants do not have a pay review body, and rely on the Treasury to determine a pay rise; but, as we all know, when it comes to a spending review the devil is always in the detail. In this case, the autumn spending review confirms cuts

"of 5% against day-to-day central departmental budgets in 2024-25." The Public and Commercial Services Union has expressed concern about the suggestion in the spending review that the Government want to cut

"non-frontline civil service headcount to 2019-20 levels by 2024-25", saying that that could mean about 32,000 jobs being cut.

Will the Minister tell us in his closing remarks how many civil service jobs are expected to be cut as Departments are forced to make 5% savings, and whether the cut in running costs and jobs will in part be used to cover any public sector pay increase? Cutting the jobs of the civil servants who work, live and spend in our communities, such as those in Luton South who work for the Department for Work and Pensions, Her Majesty's Courts and Tribunals Service and Border Force, will hamper any meaningful strategy to improve economic growth and living standards.

The Government need to change their priorities and root the recovery in our communities and workers' prosperity. Lifting public sector workers' living standards will have a positive knock-on benefit, contributing to the distribution of growth across all our communities and the country. It is time to change tack, and back our public sector workers to back our economic recovery.

6.19 pm

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): I am pleased to be able to speak to some of the ways in which this Budget will impact on my constituents in Rutherglen and Hamilton West. The Chancellor made some welcome announcements last week, and I would like to acknowledge them. They include the increased funding for Scotland, some aspects of the changes to the universal credit taper rate and raising the national living wage. Unfortunately, though, it is yet again the most vulnerable in society who will be feeling the deepest cuts.

The changes to the universal credit taper rate provide some support for claimants who are working and in a position to increase their working hours, but this does not make up for the removal of the £20 a week uplift, which was a lifeline for millions across the UK. Like many colleagues, I wrote to the Government several times about the uplift, and on Friday I received a response to a letter that I had sent 17 weeks earlier on 8 July, advising me that no impact assessment had been made of what that cut would mean to millions of people. Will the Chancellor instruct his officials to make that assessment now, so that we can see how it tallies up with the taper rate changes?

The change helps only a portion of claimants, so what is being done for those who cannot work, for reasons outwith their control? What about the single parents whose childcare does not stretch far enough for them to increase their hours? What about those on zero-hours contracts whose income is dependent on the

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whims of their employers, or those whose disabilities prevent them from working, either altogether or more hours? This is just a small sample of the situations that our constituents can find themselves in and that become barriers to work. They are no more immune to the rise in inflation and the cost of living than the rest of us.

Likewise, the rise in the national living wage is welcome, but why is it only for those over the age of 23? How much of that money will really see the inside of people's pockets? The Chancellor made a clever decision when he announced the health and social care levy in September, negating the need for it to be included in his Budget. That will certainly eat into any gains that the wage increase provides, and in Scotland, while income tax levels are set differently from England's, for most that will mean an additional percentage point deducted from their income. So when we consider rising inflation, additional taxes and mounting energy costs, for those in my constituency this is not the generous gift that the Chancellor would have us believe. It is less than the bare minimum he could have provided.

Speaking of energy costs, I was disappointed that no relief was offered by the Government as we move into what will undoubtedly be a long and difficult winter. It was anticipated that we would hear that VAT would be reduced on household energy bills—a move that it was in the Government's gift to provide. Mounting costs, coupled with suppliers going bust, make this an issue that I am contacted about regularly. The VAT charged on household bills is money that goes to the Treasury, not the suppliers. I was unsurprised on Friday to read that Ofgem will be reviewing the current price cap

“to ensure that it appropriately reflects the costs, risks and uncertainties facing suppliers.”

Can we correctly assume that this will see another historic rise in prices? Will the Chancellor commit now to ensuring that any rise does not push people further into poverty?

It is not just households that are facing unaffordable energy costs. Last month, I was contacted by a constituent who owns a much-loved business in the constituency. It is so well-established that next year will mark its centenary, but my constituent is worried that the celebrations will be marred by the greatest financial risk to the company in his lifetime. He is just had to renew his energy contract, which is not capped for businesses, unlike those for households. The contract he has had to sign increases his energy bill by around £30,000 a year—a 500% mark-up—and the out-of-contract costs are even higher. What support is the Chancellor going to provide for small, family-owned businesses like that of my constituent, to ensure that they do not have to close their doors or let staff go just to keep the lights on?

I am grateful to the Chancellor for coming to the House and setting out his Budget. It is not an easy job, and it is one that I am sure most of us do not envy, but for my constituents there are still outstanding questions that desperately need answers, which I hope he will be able to give.

6.24 pm

Richard Burgon (Leeds East) (Lab): It is a pleasure to follow the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier). I want to make special mention

of my hon. Friend the Member for Leeds North West (Alex Sobel), who made so many important points about how this Budget affects our city. We have heard so many stories of damage to communities across the country by Tory economic policies. It should not be like that, not in one of the richest countries in the world. Ours is one of the richest countries, but day to day that seems almost like a fantasy to people in my community and across the country, because they do not feel that they share in that wealth.

The aim of this Budget was clear: to make working people pay for a crisis that they did not cause. That was exactly what was done in 10 years of austerity after the banking crisis, and it is exactly what is being done now. The Government have chosen to hit working people with tax hikes and benefit cuts, while slashing taxes on the bankers. Make no mistake: this was a clear and deliberate political choice.

But there is an alternative: the Government could have chosen to impose a wealth tax, raising billions from the super-rich, who have increased their wealth by more than £100 billion during this crisis. Are we to say that it is impossible? [Interruption.] I see the Tories grinning at the prospect of making the richest people in society pay their fair share. Are we saying that that is impossible? [Interruption.] They are grinning, some of the ones who are not wearing masks, as we can see over there. Instead, the Government have chosen to stand side by side with the super-rich, who fund their party—many who lined their own pockets with corrupt covid contracts during this crisis. I want the Chancellor to be clear on something: we are going to build a mass movement for a wealth tax on the super-rich, because it is time that those who have got away with rigging the system for so long actually pay their fair share.

The second point I wish to make is that this Budget was a chance for the Government to put their money where their mouth is and fund a green transition to avoid climate catastrophe, which is the greatest example of free market failure. We needed a green new deal that created millions of decent, unionised, green jobs, transforming the basis of our economy while preparing us for the challenges of the future. Instead, the Government's pledges fall tens of billions of pounds short of the levels of green investment we need to hit our carbon targets. So many people watching at home were shocked—they thought they had misheard—when in the Budget the Chancellor announced that he was slashing taxes on UK internal flights. People could not believe their ears. The Government are also sanctioning new oil and gas fields. We should be tackling the high-polluting lifestyles of the wealthy, which are fuelling the climate crisis. That is why I have called for a tax hike on the incomes of the richest 1%—those on more than £150,000 per year.

Just as the claims we used to hear of the “northern powerhouse” a decade ago were complete hot air, the Tories now want to fob people off in areas such as mine in east Leeds with bogus claims of “levelling up”. The Tories are not levelling up; they are not even levelling back to where we were before they took their axe to local services—to youth clubs and Sure Start centres. In my city, for example, since 2010 Leeds City Council has had cumulative cuts of more than £2 billion, and the same is happening in communities across the country. Yet now the Chancellor has refused a levelling-up bid to redevelop the Fearnville leisure centre in east Leeds

to make it a wellbeing centre fit for the needs of my community. My constituency is one of the most economically deprived in the whole country, so it deserves the Government's backing for that levelling-up bid, but they refused to back it. Instead of investing in our areas, the Government have chosen to hand out tax cuts to bankers. That is an appalling decision, but I say to the Chancellor that he still has time to change his mind on the levelling up bid for the Fearnville centre in east Leeds.

Lastly, I wish to make the point that the Government are leaving people to sink when faced with a deepening crisis. As we have heard, the Chancellor, ahead of his Budget speech, talked of an "age of optimism". That just shows how out of touch the Government are. The IFS estimates are that over the next five years household income is expected to barely grow, at just 0.8% per year. That comes after workers have already faced the biggest stagnation of wages since the age of Napoleon. There should have been an emergency plan, to get people through the winter. That means that free school meals should have been extended.

The cut to universal credit, which affects more than 14,000 families in east Leeds, should have been restored. There should have been a windfall tax on fossil fuel companies such as BP, which today announced huge increases in profits, to fund a one-off winter fuel payment to help every household in the country through the winter.

At this Budget, the Tories had a chance to stand with ordinary people who face an unprecedented crisis. They chose to stand aside. The rhetoric of the Conservatives may have changed, but their callous disregard for ordinary people has not changed and remains constant.

6.30 pm

Bridget Phillipson (Houghton and Sunderland South) (Lab): It is a privilege to respond for the Opposition as we conclude our debate on last week's Budget.

Politics is about priorities, and that has been made crystal clear in not only today's debate but the Chancellor's Budget. The economic recovery is far from secure; the cost of living is soaring; supply-chain chaos is putting businesses under strain; and the big challenges that face our country and, indeed, our planet need leadership.

I thank all my right hon. and hon. Friends on the Opposition Benches, who have spoken with such passion on behalf of their communities and their constituents in challenging this inadequate Budget. I thank my hon. Friends the Members for Bootle (Peter Dowd), for Bradford East (Imran Hussain), for Battersea (Marsha De Cordova), for Norwich South (Clive Lewis) and for Macclesfield (Yvonne Fovargue). I thank my right hon. Friend the Member for Hayes and Harlington (John McDonnell), my hon. Friend the Member for Harrow West (Gareth Thomas) and my right hon. Friend the Member for Walsall South (Valerie Vaz). I thank my hon. Friends the Members for Brighton, Kemptown (Lloyd Russell-Moyle), for Nottingham East (Nadia Whittome), for Sheffield, Hallam (Olivia Blake), for Newcastle upon Tyne Central (Chi Onwurah), for Kingston upon Hull West and Hessle (Emma Hardy), for Ilford South (Sam Tarry), for Worsley and Eccles South (Barbara Keeley), for Liverpool, West Derby (Ian Byrne), for Bedford (Mohammad Yasin), for Bolton South East (Yasmin Qureshi), for Leeds East (Richard Burdon), for

Leeds North West (Alex Sobel), for Newport West (Ruth Jones), for Wirral West (Margaret Greenwood), for Jarrow (Kate Osborne) and for Luton South (Rachel Hopkins). Sadly, it was a little bit quieter on the Government Benches today and they ran out of Members who were willing to defend their out-of-touch, high-tax, low-growth Budget.

Let me start with the verdict of Paul Johnson of the Institute for Fiscal Studies on the outlook for living standards. He said:

"This is actually awful... High inflation, rising taxes, poor growth keeping living standards virtually stagnant for another half a decade".

As we have come to expect from this Government, Ministers fail to accept any responsibility, working harder on their excuses than on solutions. It now costs £15 more than it did last year to fill an average car with a full tank of petrol; heating bills have already gone up by £140, with more rises to come; and the cost of a typical family food shop is set to increase by more than £180 next year—assuming that people can find everything they want on the shelves. Almost everything is more expensive, yet the Budget has only made matters worse.

The Resolution Foundation has highlighted how, by 2026, taxes will reach an additional £3,000 per household compared with when the Prime Minister took office. The Chancellor could have cut instead VAT on domestic heating bills to zero for the next six months, as we urged. Labour's retrofitting plan would have helped to bring 19 million homes up to standard, cutting heating bills by an average of £400 a year. These are practical ideas to support pensioners and families through the long winter months ahead.

We all know that Ministers are making the cost-of-living crisis even worse for 6 million people with their cut to universal credit. It is appalling to remove £20 a week from people who already have so little, yet it is also so revealing. We welcome the change to the taper rate, but let us be clear: while the Government give with one hand, they take far more with the other. Six million households were hit by the cut, yet fewer than a third of them will get anything from the change. The Budget does nothing to help millions of hard-pressed families who are working hard on modest incomes and face a cost-of-living crisis this winter, and there is nothing for pensioners who are worried about skyrocketing gas and electricity bills.

The reason why the Conservatives are increasingly a high-tax party is that they have been a low-growth Government, and that will continue. The Budget confirmed anaemic medium-term growth forecasts, with growth falling to an average of 1.5% in the final three years of the forecast. There is no plan for growth—not now, not next year and not for the past 11 years.

The Government have again missed another target on research and development spending, which is central to boosting our economy. As the OBR reported, the measures announced at the Budget make no material difference to the path of business investment. Real wages are on course to be lower in 2026 than they were even before the global financial crisis.

This Budget needed to support British businesses, as they will power our economic recovery, and this Government were elected on a manifesto committed to fundamental reform of business rates. In fact, the last four Tory manifestos have promised action on business

[Bridget Phillipson]

rates, and every time they have failed to deliver. The Treasury started the review last summer and it has failed even on its own terms. Businesses were promised real change, not tinkering at the margins. The challenge facing our high streets is real and it will not disappear. In fact, it was the new Chief Secretary to the Treasury who once wrote in 2018 that he was also very frustrated by the then Conservative Chancellor's failure to abolish business rates. He wrote:

"We need to do better, and this means the Chancellor has to up his game. Too often since his appointment, he has shown a tin ear to the concerns of precisely the sorts of people the Conservative Party ought to be championing."

He said that the Chancellor had a duty to listen and to act. That is absolutely right. We have a new Chancellor, but the same old problem. Perhaps the right hon. Gentleman should have a word with his boss to try to sort this out. Labour will do what this Chancellor and his predecessors have failed to do: we will replace business rates with a fairer alternative fit for the 21st century, levelling the playing field with the online competitors.

Also buried in the Budget documents is a stealth raid on self-employed people, meaning that they will have to pay an extra £1.7 billion over the next five years. Let us never again hear the Tories claim to be the party of business. When the Prime Minister said, "Eff business," I thought that it was a quip; now I know that it is Government policy. Today's Labour party will work with businesses. This Government want to blame them. This Government are falling well short of what is needed to address the key challenges facing the country. The Chancellor spent more of his Budget talking about cider than the climate. As the OBR has revealed, stalling action in this crucial decade could double the overall cost to our economy. The insufficient action from the Government is unfathomable.

Duncan Baker (North Norfolk) (Con): I have heard some of the contributions from the Opposition this afternoon. I just wonder what planet they are on. We were told that we would have a recession that was deeper than that of the second world war. Instead we have an economy that is rebounding the fastest in the G20. Can the hon. Lady explain how the economy is actually giving us a recovery better than any economist ever predicted?

Bridget Phillipson: Let me say to the hon. Gentleman that sometimes when the Whips come calling and they have a piece of paper that they would like you to read out in the Chamber, just say no. We have had far, far further to climb because of the massive hit to our economy—the worst of any advanced nation. Much of that, sad to say, comes down to the Chancellor's resistance to adopting the measures that were necessary back last autumn to control the virus.

Labour has set out our climate investment pledge not only to get us on track with our commitment, but to avoid greater costs in the future and to ensure that we can seize opportunities, too. That means developing our domestic hydrogen sector, greening our steel industry, building the cycle lanes and infrastructure, creating new jobs to retrofit homes, ensuring that electric vehicles and their batteries are manufactured here, and that all our families can enjoy the local environment, clean air and open space. We are ambitious for Britain to lead the

world with the jobs and technologies of the future, creating prosperity and opportunity in every corner of our country. Under Labour, we will work with business and trade unions to make this a reality.

Jacob Young: Just before the hon. Lady concludes her remarks, I just wanted to give her the opportunity to welcome Sunderland's levelling-up fund bid, which was granted by this Government.

Bridget Phillipson: Absolutely. I supported the bid, so of course I welcome it; that is hardly a revelation. I will always welcome additional investment coming to my constituency, although I notice that the hon. Member for Sedgefield (Paul Howell) is also in his place, and I am sure that, like me, he was disappointed that our restoring your railway fund bid to look at reopening the Leamside line, which would create benefits for the wider north-east, was sadly knocked back by his Government. I am afraid that it is not entirely good news for Sunderland and the north-east.

Paul Howell (Sedgefield) (Con): I absolutely agree that we need to take another look at the Leamside line, but I would like to come back on your comments about Labour being interested in business. [HON. MEMBERS: "Not 'you'."] My apologies, Madam Deputy Speaker. If Labour Members are so interested in business, why is their attendance at the Business, Energy and Industrial Strategy Committee so woeful?

Bridget Phillipson: My hon. Friend the Member for Bristol North West (Darren Jones), the Labour Chair of the Business Committee, is doing a fantastic job. I see him out there all the time, championing the cause of business and seeking to ensure that we are backing innovative British firms.

Paul Howell: Will the hon. Member give way?

Bridget Phillipson: I will happily give way again, but when I do, will the hon. Gentleman tell me whether he will work with me to get the Government to look again at our restoring your railway fund bid? I am sure that he was as disappointed as I was that we were knocked back once again.

Paul Howell: I absolutely will work with the hon. Member. I have already made appointments to talk to Transport Ministers about the matter. My point is that the Chair of the Business Committee is a very regular attender, but he is the only one.

Madam Deputy Speaker (Dame Rosie Winterton): Order. I am not sure that this discussion is entirely appropriate.

Bridget Phillipson: I will make a little progress, Madam Deputy Speaker. I will happily work with the hon. Gentleman. I know that he tries to work hard for his constituents.

Emma Hardy: While we are on the subject of railways, is my hon. Friend as frustrated as I am that we have yet to see the integrated rail plan and that there have been no announcements regarding Northern Powerhouse Rail? It was not meant to go from Manchester to Leeds; we

were originally promised that it would be from Hull all the way over to Liverpool? I hope that she will put as much pressure on the Government as I will to get that delivered.

Bridget Phillipson: Absolutely; 60 times we have had announcements on the plan, but not a single spade in the ground. I will now make a little more progress.

The theme today is public services. I put on record again our immense gratitude to all those who have been keeping our public services going during the most challenging times over the last 18 months. There are really too many public sector workers to mention, but their contribution should be noted. The Government claim that they will give public sector workers belated pay rises, but cannot confirm whether they will be real-terms pay rises. Only under the Tories could a so-called pay rise mean that people are actually less well off.

Working people are being expected to pay so much more, but what for exactly? There are 5.7 million people on waiting lists for operations, GP appointments are harder than ever to come by and there are 100,000 vacancies in our NHS. We see falling apprenticeship starts, supersized classrooms for our children, antisocial behaviour at its highest level for years, rape convictions at record low levels, violent criminals walking free, fewer police officers and less safe communities. However, there was a vanity yacht for the Prime Minister, when he could have tackled antisocial behaviour instead. Tory Ministers have finally discovered, 11 years late, that the early years matter—who knew? But there is no apology from the Chancellor for closing more than 1,000 children's centres since 2010. What price the unrealised potential and limited life opportunities over that lost decade?

This is a Budget with no plan for the cost-of-living crisis, no plan for fairer taxes and no plan for growth. The clocks went back an hour at the weekend, but in tax terms this Budget wound the clock back all the way to the 1950s, when taxes were last this high. It is the Conservatives' record of low growth that has driven them to higher taxes, just as their failure to plan ahead has led to higher inflation and higher bills.

Labour would tax fairly, spend wisely and get the economy firing on all cylinders. We would cut VAT on heating bills and help to insulate homes. We would back our world-leading industries, and buy, make and sell more here in Britain. We would scrap business rates and replace them with a much fairer system that is fit for the modern world. We would secure our transition to net zero with well paid, highly skilled jobs in every corner of our country. We would not clobber working people and British businesses while online giants get away without paying their fair share. We need a Budget to ease the urgent pressure on families and businesses—a Budget to seize new opportunities and to unleash our country's potential. We have a proud history but I believe that our best days are ahead of us. The Chancellor has made the wrong choices throughout this Budget; the Conservatives have made the wrong choices throughout the past decade. Our country deserves better.

6.45 pm

The Chief Secretary to the Treasury (Mr Simon Clarke): It is a privilege to bring the past four days of Budget debate to a close. Over that time we have heard dozens of excellent speeches from across the House. I echo

what the shadow Chief Secretary said in thanking all those who contributed. I express my deep gratitude to the civil service and the wider Treasury team, who have devoted long hours to preparing this Budget, working closely over the course of the spending review with all other Government Departments. I am immensely grateful for their hard work.

I also pay tribute to the Chancellor for his third Budget in 19 of the most challenging months in living memory. Winston Churchill once told this House:

“The first Budget of a Chancellor is often well received, but the third Budget is the most critical of all, because it is the heir of previous decisions”.—[*Official Report*, 22 September 1943; Vol. 392, c. 212.]

Well, this third Budget is a vindication. As Members will recall, over his first two Budgets, the Chancellor developed our plan to protect jobs and livelihoods and to safeguard the economy from coronavirus. In the words of the Office for Budget Responsibility, that plan has proven “remarkably successful”. The OBR's forecasts show that our economy returned to its pre-pandemic size around the turn of the year, several months earlier than previously expected. Wages are rising, growing in real terms by 3.4% compared with February 2020. More people are in work and literally millions fewer people than anticipated last July are unemployed. Our public finances are under control and debt is under control. To echo the Chancellor: growth up, jobs up, debt down.

Just because disaster has been averted does not mean that we should take that for granted. It is the result of conscious policy decisions that have steered our nation to a safer place. Now is the time to carry this momentum through into building the economy this Government were elected to deliver, with a future of higher wages, higher skills and rising productivity, no longer based on Labour's and the SNP's model of low-skilled migrant European labour, but based on training and equipping our own people to succeed; and a future where our businesses flourish and drive growth and that growth is shared more evenly across the United Kingdom. We will have a greener economy. Multiple Opposition speakers, such as the hon. Member for Nottingham East (Nadia Whittome) and the right hon. Member for Walsall South (Valerie Vaz), seemed to forget the £30 billion net zero strategy announced just a fortnight ago. It will be a future where our citizens benefit from world-class public services at every stage of their lives.

Emma Hardy: I am aware that the Minister is very familiar with the area I represent, and indeed the local council, but on the issue of labour shortages I raised in the debate, and have raised in earlier proceedings, we have a shortage of adult social care workers in the East Riding of Yorkshire—a shortage so great that people cannot access all the care that they need. When he talks about labour shortages, is he going to address the shortages we have in that sector?

Mr Clarke: I thank the hon. Lady; hers was one of the more thoughtful speeches in this debate. We have committed £162.5 million as part of our winter plan to help fund the adult social care workforce. That money is exactly designed to make sure that we can attract people into this most pivotal of sectors. That comes on top of the £5.4 billion across the spending review that

[Mr Simon Clarke]

we have committed, thanks to the new health and social care levy, and the record funding for local government that was announced in the SR. I am always happy to work with her on this, but there is more money for this sector.

Barbara Keeley: Unless there are pay increases for care staff, the small dribbles in amounts of training, and bits of this and bits of that, will not deal with this serious crisis. There are 105,000 vacancies, and people are leaving in droves to go and work in burger bars and other forms of retail.

Mr Clarke: Again, I thank the hon. Lady for raising that point. I do take this point seriously. We have committed in this Budget to the national living wage increase, which is a major increase—6.6%, rising to £9.50 an hour. That money comes as a complement to the extra funding that the Government have committed to help with labour shortages, and I believe it will make a real difference. Obviously we can continue to monitor the situation closely with the sector.

If I may make a little progress, I want to return to the core theme of today's debate: our public services. As the Chancellor outlined last week, this Budget increases total departmental spending over this Parliament by £150 billion. That is the largest rise this century, with spending growing by 3.8% a year in real terms. We are taking forward plans to deliver more than £600 billion of gross public sector investment over this Parliament, meaning that public sector net investment will be at its highest sustained level as a share of GDP for nearly half a century. This is funding that can and will make real change possible for communities throughout the country.

Last week, my right hon. Friend the Member for Maidenhead (Mrs May) reminded the House when talking about the NHS that increased spending is not enough on its own and that we must strive to deliver value for taxpayers. I could not agree more. The measure of a Government's compassion is not how much they spend, but the outcomes they deliver. In making these investments, the Government are committed to ensuring that every pound is spent well and makes a difference.

To take healthcare, we are building 40 new hospitals and upgrading 70 more, as well as funding 50,000 nurses and 50 million more primary healthcare appointments. We are working closely with the NHS to roll out a stream of innovative developments that will reduce backlogs, help cut waiting times and transform healthcare for good. Some 100 community diagnostic centres, rightly praised by my hon. Friend the Member for Bishop Auckland (Dehenna Davison), will help people to obtain tests close to home. New surgical hubs will cut waits for elective operations, and we are making a record investment in R&D to support the health technologies of the future.

Margaret Greenwood: I have listened with interest to the Minister's points about the national health service. If the Health and Care Bill goes through, as the Government intend that it should, instead of having a national health service, we will have 42 independent systems that will all have to meet strict financial limits. The Bill also has provision to make things wide open for the private sector to start delivering care that the NHS currently delivers. What would the Minister say to those

NHS workers who may not be able to secure a job in the NHS any longer, because that role has been taken over by a private company, thus losing Agenda for Change pay and terms and conditions?

Mr Clarke: This Government remain fully committed to great care, free at the point of need, which of course is the founding principle of the health service. We remain fully committed to working to ensure that our healthcare system and our social care system are properly funded and staffed for the future. Our commitment to providing world-class public services extends to people of all ages, and that is reflected in our wider work on social care.

We have pledged an extra £4.7 billion by 2024-25 for schools, and I congratulate my right hon. Friend the Secretary of State for Education on securing a good settlement that will include nearly £2 billion of new funding over the spending review period for education recovery. That brings total education recovery spending to almost £5 billion. We are also providing £500 million to support the very youngest and their carers and to invest in family help. Last week, my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom), who has been such a brilliant advocate for this cause, described those measures as fulfilling "a fantastic pledge for every baby."—[*Official Report*, 27 October 2021; Vol. 702, c. 317.]

I could not agree more.

Ben Bradley: I welcome the positive interventions in early years and for young people in the Budget in particular, which are meaningful. If we are going to support that change for the long term, we need to support local authorities to transition to that early intervention approach, as laid out by my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom). I trust that the Minister will confirm the Government's commitment to doing that.

Mr Clarke: I absolutely will, because there is sometimes said to be ambiguity about levelling up. It is clear to me that it is about life chances through life, from cradle to grave. It is about jobs, prospects, investment in skills and jobs, and all of that comes from the start of life. I know that my hon. Friend will be doing a fantastic job in Nottinghamshire to help to deliver that.

Lloyd Russell-Moyle: Will the Minister give way?

Mr Clarke: Yes, I will. It is always a pleasure to give way to the hon. Gentleman.

Lloyd Russell-Moyle: So much for intergenerational levelling up—why have the Government cut the youth budget? It is the biggest cut in youth funding in 10 years.

Mr Clarke: The Government stand fully behind our youth budget. From the National Citizen Service to youth hubs, our wider work is clear. We are fully committed to ensuring that young people benefit as part of the Budget and spending review.

Meanwhile, we are spending record sums on improving connectivity and have allocated £5.7 billion to eight city regions to transform their transport systems. There is also the £4.8 billion levelling-up fund. We are taking on the criminals who make too many people's lives a misery by recruiting 20,000 new police, providing an

extra £2.2 billion for the courts, prisons and probation services, and committing £3.8 billion to the largest prison-building programme in a generation.

World-class public services are made possible only by the hard work of the private sector and the genius of the free market—a point made brilliantly by my neighbour, my hon. Friend the Member for Redcar (Jacob Young). That is why we are choosing to ignite even greater public sector success by investing in our economic infrastructure, improving skills and supporting innovation, with commitments to boost R&D funding and access to early stage equity finance.

To make sure that work pays, we are increasing the national living wage, cutting the universal credit taper rate and increasing the universal credit work allowance by £500 a year. That was the subject of a powerful speech by my right hon. Friend the Member for Preseli Pembrokeshire (Stephen Crabb) and likewise by my hon. Friend the Member for Isle of Wight (Bob Seely).

Dehenna Davison: I reiterate my right hon. Friend's point about research and development, which is important. Does he agree that investing in R&D and introducing tax incentives for it is the right way to get our economy growing in a future-proof way?

Mr Clarke: My hon. Friend is absolutely right. We are investing smart so that we seed the growth of the future. That is what we need to do. Ultimately, it is all about unlocking the dynamism of industry and making sure that we can compete in a way that matches some of the competitor economies that do so much more in that space.

I have outlined some of the bold policy initiatives that the Government are bringing forward, which represent a transformative investment in our economy and the country. There is one final promise that I want to address, which is our pledge to safeguard the nation's finances. I reassure my right hon. Friend the Member for Gainsborough (Sir Edward Leigh) and my hon. Friend the Member for South Dorset (Richard Drax), who gave robust Thatcherite speeches, that this Chief Secretary will never bequeath his successor a note saying "I'm afraid there is no money."

Make no mistake, however, that although the economic picture is improving, we are still vulnerable. As the Chancellor said, a 1% increase in inflation and interest rates would increase spending on debt interest by nearly £23 billion. That is over £6 billion more than the total Home Office net budget will be in '24-'25, so we must continue to build a stronger economy with the headroom to withstand shocks, which will mean making difficult decisions in the national interest.

That is why we have announced a new charter for budget responsibility, with two new fiscal rules that will keep the Government on the path of discipline and responsibility. The whole House will be asked to vote on it, which will give Members the choice between unfunded pledges and fiscal sustainability. It is the easiest thing in the world to say yes to everything, but as everyone on the Government Benches knows, reckless promises are the luxury of the Opposition and tough choices are the responsibility of the Government. Members can rest assured that the Conservatives will always do the right thing to protect our economy and our citizens' future.

Our record spending on public services, huge investment to fund growth and unrelenting focus on building a stronger economy stand in stark contrast to the Opposition. If there is one idea that the debate has dispelled, it is that there is a credible plan on the Opposition Benches. There were so many negative speeches and unfunded pledges, and so many people, such as the hon. Member for Leeds East (Richard Burgon), who ridiculed an age of optimism. I think, and I know Conservative Members believe, that we should be optimistic about the future. We have come through the shadow of the pandemic as one country, stronger together, and we have come forward with a plan for investment, growth and levelling up. We should be proud of that.

Churchill talked about Budgets having an heir. I believe that this Budget will leave a long-lasting legacy for the UK in the shape of transformed lives, new opportunities and the strong foundations that will transform our country for decades to come. I commend the Budget and spending review to the House.

Question put and agreed to.

Resolved,

That income tax is charged for the tax year 2022-23.

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

Madam Deputy Speaker (Dame Rosie Winterton): I am now required under Standing Order No. 51(3) to put successively, without further debate, the Question on each of the Ways and Means motions numbered 2 to 57 and the money resolution on which the Bill is to be brought in. These motions are set out in a separate paper distributed with today's Order Paper.

The Deputy Speaker put forthwith the Questions necessary to dispose of the motions made in the name of the Chancellor of the Exchequer (Standing Order No. 51(3)).

2. INCOME TAX (MAIN RATES)

Resolved,

That for the tax year 2022-23 the main rates of income tax are as follows—

- (a) the basic rate is 20%,
- (b) the higher rate is 40%, and
- (c) the additional rate is 45%.

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.

3. INCOME TAX (DEFAULT AND SAVINGS RATES)

Resolved,

That—

(1) For the tax year 2022-23 the default rates of income tax are as follows—

- (a) the default basic rate is 20%,
- (b) the default higher rate is 40%, and
- (c) the default additional rate is 45%.

(2) For the tax year 2022-23 the savings rates of income tax are as follows—

- (a) the savings basic rate is 20%,
- (b) the savings higher rate is 40%, and
- (c) the savings additional rate is 45%.

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.

4. INCOME TAX (RATES OF TAX ON DIVIDEND INCOME)

Resolved,

That—

(1) In section 8 of the Income Tax Act 2007 (which provides, among other things, for the dividend ordinary rate, dividend upper rate and dividend additional rate)—

- (a) in subsection (1) (the dividend ordinary rate), for “7.5%” substitute “8.75%”,
- (b) in subsection (2) (the dividend upper rate), for “32.5%” substitute “33.75%”, and
- (c) in subsection (3) (the dividend additional rate), for “38.1%” substitute “39.35%”.

(2) In section 9(2) of the Income Tax Act 2007 (the dividend trust rate), for “38.1%” substitute “39.35%”.

(3) The amendments made by this Resolution have effect for the tax year 2022-23 and subsequent tax years.

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

5. INCOME TAX (STARTING RATE LIMIT FOR SAVINGS)

Resolved,

That—

(1) For the tax year 2022-23 the amount specified in section 12(3) of the Income Tax Act 2007 (the starting rate limit for savings) is “£5,000”.

(2) Accordingly, section 21 of that Act (indexation) does not apply in relation to the starting rate limit for savings for that tax year.

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.

6. SURCHARGE ON BANKING COMPANIES

Question put,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made altering the percentage specified in section 269DA(1) of the Corporation Tax Act 2010 and amending Part 7A of that Act so as to alter the amount of the surcharge allowance.

The House divided: Ayes 319, Noes 230.

Division No. 97]

[7 pm

AYES

Adams, rh Nigel	Baker, Mr Steve
Afolami, Bim	Baron, Mr John
Afriyie, Adam	Baynes, Simon
Aldous, Peter	Bell, Aaron
Allan, Lucy	Benton, Scott
Anderson, Lee	Beresford, Sir Paul
Anderson, Stuart	Berry, rh Jake
Andrew, rh Stuart	Bhatti, Saqib
Ansell, Caroline	Blackman, Bob
Argar, Edward	Blunt, Crispin
Atherton, Sarah	Bone, Mr Peter
Atkins, Victoria	Bottomley, Sir Peter
Bacon, Gareth	Bowie, Andrew
Bacon, Mr Richard	Bradley, Ben
Badenoch, Kemi	Bradley, rh Karen
Bailey, Shaun	Brady, Sir Graham
Baillie, Siobhan	Braverman, rh Suella
Baker, Duncan	Brereton, Jack

Brine, Steve	Gale, rh Sir Roger
Bristow, Paul	Garnier, Mark
Britcliffe, Sara	Ghani, Ms Nusrat
Browne, Anthony	Gibb, rh Nick
Bruce, Fiona	Gibson, Peter
Buckland, rh Robert	Gideon, Jo
Burghart, Alex	Girvan, Paul
Burns, rh Conor	Goodwill, rh Mr Robert
Butler, Rob	Gove, rh Michael
Cairns, rh Alun	Grant, Mrs Helen
Campbell, Mr Gregory	Gray, James
Carter, Andy	Grayling, rh Chris
Cartlidge, James	Green, Chris
Cash, Sir William	Green, rh Damian
Caulfield, Maria	Griffiths, Kate
Chalk, Alex	Grundy, James
Chishti, Rehman	Gullis, Jonathan
Churchill, Jo	Halfon, rh Robert
Clark, rh Greg	Hall, Luke
Clarke, rh Mr Simon	Hammond, Stephen
Clarke, Theo	Hancock, rh Matt
Clarke-Smith, Brendan	Hands, rh Greg
Clifton-Brown, Sir Geoffrey	Harper, rh Mr Mark
Colburn, Elliot	Harris, Rebecca
Collins, Damian	Harrison, Trudy
Costa, Alberto	Hart, Sally-Ann
Courts, Robert	Hart, rh Simon
Coutinho, Claire	Hayes, rh Sir John
Crabb, rh Stephen	Heald, rh Sir Oliver
Crosbie, Virginia	Heaton-Harris, Chris
Crouch, Tracey	Henderson, Gordon
Daly, James	Henry, Darren
Davies, Gareth	Higginbotham, Antony
Davies, Dr James	Hinds, rh Damian
Davies, Mims	Hoare, Simon
Davies, Philip	Holden, Mr Richard
Davis, rh Mr David	Hollinrake, Kevin
Davison, Dehenna	Hollobone, Mr Philip
Dinenage, Caroline	Holloway, Adam
Dines, Miss Sarah	Holmes, Paul
Djanogly, Mr Jonathan	Howell, John
Docherty, Leo	Howell, Paul
Donelan, rh Michelle	Huddleston, Nigel
Double, Steve	Hudson, Dr Neil
Dowden, rh Oliver	Hughes, Eddie
Doyle-Price, Jackie	Hunt, Jane
Drax, Richard	Hunt, rh Jeremy
Drummond, Mrs Flick	Hunt, Tom
Duddridge, James	Jack, rh Mr Alister
Duguid, David	Javid, rh Sajid
Duncan Smith, rh Sir Iain	Jenkin, Sir Bernard
Dunne, rh Philip	Jenkinson, Mark
Edwards, Ruth	Jenkyins, Andrea
Ellis, rh Michael	Jenrick, rh Robert
Ellwood, rh Mr Tobias	Johnson, Dr Caroline
Elphicke, Mrs Natalie	Johnston, David
Eustice, rh George	Jones, Andrew
Evans, Dr Luke	Jones, rh Mr David
Evennett, rh Sir David	Jones, Fay
Everitt, Ben	Jones, Mr Marcus
Fabricant, Michael	Jupp, Simon
Farris, Laura	Kawczynski, Daniel
Fletcher, Mark	Kearns, Alicia
Fletcher, Nick	Keegan, Gillian
Foster, Kevin	Knight, rh Sir Greg
Fox, rh Dr Liam	Knight, Julian
Francois, rh Mr Mark	Kruger, Danny
Frazer, rh Lucy	Lamont, John
Freeman, George	Largan, Robert
Freer, Mike	Latham, Mrs Pauline
Fuller, Richard	Leadsom, rh Dame Andrea
Fysh, Mr Marcus	Leigh, rh Sir Edward

Levy, Ian
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Loder, Chris
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cherilyn
 Maclean, Rachel
 Malthouse, rh Kit
 Mangnall, Anthony
 Marson, Julie
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 McVey, rh Esther
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Mrs Maria
 Milling, rh Amanda
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, Chris
 Pincher, rh Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, rh Mark
 Quin, Jeremy
 Quince, Will
 Raab, rh Dominic
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob

Richards, Nicola
 Richardson, Angela
 Roberts, Rob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Simmonds, David
 Skidmore, rh Chris
 Smith, Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stuart, Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trott, Laura
 Tugendhat, Tom
 Vara, Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Wakeford, Christian
 Walker, Sir Charles
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warburton, David
 Warman, Matt
 Watling, Giles
 Wheeler, Mrs Heather
 Whittaker, Craig
 Wiggan, Bill
 Wild, James
 Williams, Craig
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Young, Jacob
 Zahawi, rh Nadhim

Tellers for the Ayes:

**Scott Mann and
 David T. C. Davies**

NOES

Abbott, rh Ms Diane
 Ali, Rushanara
 Ali, Tahir
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Anderson, Fleur
 Antoniazzi, Tonia
 Ashworth, rh Jonathan
 Bardell, Hannah
 Barker, Paula
 Begum, Apsana
 Betts, Mr Clive
 Black, Mhairi
 Blackford, rh Ian
 Blackman, Kirsty
 Blake, Olivia
 Blomfield, Paul
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burgon, Richard
 Butler, Dawn
 Byrne, Ian
 Byrne, rh Liam
 Cadbury, Ruth
 Cameron, Dr Lisa
 Carmichael, rh Mr Alistair
 Chamberlain, Wendy
 Champion, Sarah
 Charalambous, Bambos
 Cherry, Joanna
 Cooper, Daisy
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crawley, Angela
 Creasy, Stella (*Proxy vote
 cast by Chris Elmore*)
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Daby, Janet
 Davey, rh Ed
 David, Wayne
 Davies, Geraint
 Davies-Jones, Alex
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doogan, Dave
 Dowd, Peter
 Dromey, Jack
 Eagle, Dame Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim
 Farry, Stephen
 Fellows, Marion
 Ferrier, Margaret
 Fletcher, Colleen
 Flynn, Stephen
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Grady, Patrick
 Grant, Peter
 Green, Kate
 Green, Sarah
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Hamilton, Fabian
 Hanna, Claire
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hendrick, Sir Mark
 Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz
 Kinnock, Stephen
 Kyle, Peter
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Leadbeater, Kim
 Lewis, Clive
 Linden, David
 Lynch, Holly
 MacAskill, Kenny
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 McCabe, Steve
 McCarthy, Kerry
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat

McGinn, Conor
 McGovern, Alison
 McKinnell, Catherine
 McLaughlin, Anne
 McMahon, Jim
 McMorrin, Anna
 Mishra, Navendu
 Monaghan, Carol
 Moran, Layla
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Nandy, Lisa
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osamor, Kate
 Osborne, Kate
 Oswald, Kirsten
 Owatemi, Taiwo
 Owen, Sarah
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Phillipson, Bridget
 Pollard, Luke
 Powell, Lucy
 Qaisar-Javed, Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Reed, Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz

Shah, Naz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Sobel, Alex
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sultana, Zarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Stephen
 Turner, Karl
 Twist, Liz
 Vaz, rh Valerie
 West, Catherine
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:
Jessica Morden and
Lilian Greenwood

Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 Berry, rh Jake
 Bhatti, Saqib
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, rh Suella
 Brereton, Jack
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buckland, rh Robert
 Burghart, Alex
 Burns, rh Conor
 Butler, Rob
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carter, Andy
 Cartledge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Simon
 Clarke, Theo
 Clarke-Smith, Brendan
 Clifton-Brown, Sir Geoffrey
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Coutinho, Claire
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Davison, Dehenna
 Dinenage, Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donelan, rh Michelle
 Double, Steve
 Dowden, rh Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Edwards, Ruth
 Ellis, rh Michael
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie

Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fletcher, Mark
 Fletcher, Nick
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Girvan, Paul
 Goodwill, rh Mr Robert
 Gove, rh Michael
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffiths, Kate
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heaton-Harris, Chris
 Henderson, Gordon
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Hoare, Simon
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenkyns, Andrea
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnston, David

Question accordingly agreed to.

7. INCOME TAX (ATTRIBUTION OF TRADE PROFITS ETC TO A TAX YEAR)

Question put,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made taking effect in a future year altering the attribution to a tax year of the profits of a trade, profession, vocation or property business.

The House divided: Ayes 319, Noes 231.

Division No. 98]

[7.14 pm

AYES

Adams, rh Nigel
 Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baron, Mr John
 Baynes, Simon

Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, Gillian
 Knight, rh Sir Greg
 Knight, Julian
 Kruger, Danny
 Lamont, John
 Largan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Loder, Chris
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cherylyn
 Maclean, Rachel
 Malthouse, rh Kit
 Mangnall, Anthony
 Marson, Julie
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 McVey, rh Esther
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Mrs Maria
 Milling, rh Amanda
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike

Penrose, John
 Percy, Andrew
 Philp, Chris
 Pincher, rh Christopher
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, rh Mark
 Quin, Jeremy
 Quince, Will
 Raab, rh Dominic
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richards, Nicola
 Richardson, Angela
 Roberts, Rob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Simmonds, David
 Skidmore, rh Chris
 Smith, Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stuart, Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trott, Laura
 Tugendhat, Tom
 Vara, Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Wakeford, Christian
 Walker, Sir Charles
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warburton, David
 Warman, Matt
 Watling, Giles
 Wheeler, Mrs Heather
 Whittaker, Craig

Wiggin, Bill
 Wild, James
 Williams, Craig
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wood, Mike

Wragg, Mr William
 Young, Jacob
 Zahawi, rh Nadhim

Tellers for the Ayes:
Scott Mann and
David T. C. Davies

NOES

Abbott, rh Ms Diane
 Ali, Rushanara
 Ali, Tahir
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Anderson, Fleur
 Antoniazzi, Tonia
 Ashworth, rh Jonathan
 Bardell, Hannah
 Barker, Paula
 Begum, Apsana
 Betts, Mr Clive
 Black, Mhairi
 Blackford, rh Ian
 Blackman, Kirsty
 Blake, Olivia
 Blomfield, Paul
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burgon, Richard
 Butler, Dawn
 Byrne, Ian
 Byrne, rh Liam
 Cadbury, Ruth
 Cameron, Dr Lisa
 Carmichael, rh Mr Alistair
 Chamberlain, Wendy
 Champion, Sarah
 Charalambous, Bambos
 Cherry, Joanna
 Cooper, Daisy
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crawley, Angela
 Creasy, Stella (*Proxy vote*
cast by Chris Elmore)
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Daby, Janet
 Davey, rh Ed
 David, Wayne
 Davies, Geraint
 Davies-Jones, Alex
 Day, Martyn
 De Cordova, Marsha
 Debonnaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doogan, Dave
 Dowd, Peter
 Dromey, Jack
 Eagle, Dame Angela

Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim
 Farry, Stephen
 Fellows, Marion
 Ferrier, Margaret
 Fletcher, Colleen
 Flynn, Stephen
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Grady, Patrick
 Grant, Peter
 Green, Kate
 Green, Sarah
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Hamilton, Fabian
 Hanna, Claire
 Hanvey, Neale
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendrick, Sir Mark
 Hendry, Drew
 Hillier, Dame Meg
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz
 Kinnock, Stephen
 Kyle, Peter
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Leadbeater, Kim
 Lewis, Clive

Linden, David
 Lynch, Holly
 MacAskill, Kenny
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McKinnell, Catherine
 McLaughlin, Anne
 McMahan, Jim
 McMorris, Anna
 Mishra, Navendu
 Monaghan, Carol
 Moran, Layla
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Nandy, Lisa
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osamor, Kate
 Osborne, Kate
 Oswald, Kirsten
 Owatemi, Taiwo
 Owen, Sarah
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Phillipson, Bridget
 Pollard, Luke
 Powell, Lucy
 Qaisar-Javed, Anum
 Qureshi, Yasmin
 Rayner, rh Angela

Reed, Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Sobel, Alex
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeter, Wes
 Stringer, Graham
 Sultana, Sarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Stephen
 Turner, Karl
 Twist, Liz
 Vaz, rh Valerie
 West, Catherine
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:
Jessica Morden and
Lilian Greenwood

Question accordingly agreed to.

8. PENSION SCHEMES (LIABILITY OF SCHEME ADMINISTRATOR FOR ANNUAL ALLOWANCE CHARGE)

Resolved,

That provision may be made about the time limit for an individual to give notice to a pension scheme administrator under section 237B(3) of the Finance Act 2004 specifying that the individual and the administrator are to be jointly and severally liable in respect of the annual allowance charge.

9. NORMAL MINIMUM PENSION AGE

Resolved,

That provision may be made increasing the normal minimum pension age for the purposes of Part 4 of the Finance Act 2004.

10. PUBLIC SERVICE PENSION SCHEMES

Resolved,

That provision (including provision having retrospective effect) may be made in consequence of, or otherwise in connection with, any Act of the present Session that includes provision about public service pension schemes.

11. EXTENSION OF TEMPORARY INCREASE IN ANNUAL INVESTMENT ALLOWANCE

Resolved,

That provision may be made for the temporary increase in the maximum amount of annual investment allowance under section 51A of the Capital Allowances Act 2001 to apply to expenditure incurred in the period beginning with 1 January 2022 and ending with 31 March 2023.

12. STRUCTURES AND BUILDINGS ALLOWANCES (ALLOWANCE STATEMENTS)

Resolved,

That provision may be made requiring allowance statements under Part 2A of the Capital Allowances Act 2001 to include information about the date on which expenditure is incurred.

13. ASSET HOLDING COMPANIES

Resolved,

That provision may be made in connection with the use of companies whose main activity is the carrying on of an investment business that holds assets of investment funds and other entities.

14. REAL ESTATE INVESTMENT TRUSTS

Resolved,

That provision may be made amending Part 12 of the Corporation Tax Act 2010 in relation to—

- (a) the conditions for companies in relation to UK REITs in sections 528 and 528A of that Act,
- (b) the requirement to prepare financial statements under section 532 of that Act,
- (c) the balance of business test in section 531 of that Act, and
- (d) the meaning of “holder of excessive rights” in section 553 of that Act.

15. FILM TAX RELIEF

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made making tax relief under Part 15 of the Corporation Tax Act 2009 available in relation to films that are television programmes intended for broadcast to the general public.

16. THEATRICAL PRODUCTIONS TAX RELIEF

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made—

- (a) temporarily increasing the tax credit under Part 15C of the Corporation Tax Act 2009, and
- (b) amending that Part.

17. ORCHESTRA TAX RELIEF

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made—

- (a) temporarily increasing the tax credit under Part 15D of the Corporation Tax Act 2009, and
- (b) amending that Part.

18. MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made—

- (a) temporarily increasing the tax credit under Part 15E of the Corporation Tax Act 2009, and
- (b) amending that Part.

19. RETURNS FOR DISPOSALS OF UK LAND ETC

Resolved,

That—

(1) Schedule 2 to the Finance Act 2019 (returns for disposals of UK land etc) is amended as follows.

(2) In paragraph 3(1)(b) (obligation to deliver a return on or before the 30th day following completion), for “30th” substitute “60th”.

(3) In paragraph 7 (calculation of capital gains tax notionally chargeable), after sub-paragraph (3) insert—

“(3A) In the case of a disposal to which this Schedule applies as a result of paragraph 1(1)(b) where a proportion of the chargeable gain accruing on the disposal is not a residential property gain, ignore that proportion for the purposes of this paragraph.”

(4) The amendments made by this Resolution have effect in relation to disposals which have a completion date on or after 27 October 2021.

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.

20. CORPORATION TAX (ABOLITION OF CROSS-BORDER GROUP RELIEF)

Resolved,

That provision may be made—

- (a) amending section 107 of the Corporation Tax Act 2010 (restriction on losses etc surrenderable by non-UK resident),
- (b) repealing Chapter 3 of Part 5 of that Act (surrenders made by non-UK resident company resident or trading in the EEA), and
- (c) amending section 188BI of that Act (restriction on surrender of losses made when non-UK resident).

21. TONNAGE TAX

Resolved,

That the following provision amending Schedule 22 to the Finance Act 2000 may be made—

- (a) provision about elections,
- (b) provision removing requirements relating to flagging, and
- (c) provision about when income of a tonnage tax company consisting in a dividend or other distribution of an overseas company is relevant shipping income.

22. HYBRID AND OTHER MISMATCHES

Resolved,

That provision may be made amending section 259GB of the Taxation (International and Other Provisions) Act 2010 to make provision in connection with partnerships and cases where entities are to be treated as if they were partnerships (and their members as partners) for the purposes of that section.

23. DIVERTED PROFITS TAX (MUTUAL AGREEMENT PROCEDURE)

Resolved,

That provision may be made about the application of section 124 of the Taxation (International and Other Provisions) Act 2010 (giving effect to solutions to cases and mutual agreements resolving cases) in relation to diverted profits tax.

24. DIVERTED PROFITS TAX (CLOSURE NOTICES ETC)

Resolved,

That—

(1) Part 3 of the Finance Act 2015 (diverted profits tax) is amended as follows.

(2) In section 101A (amendment of CT return during review period: section 80 or 81 case)—

(a) in subsection (2) (amendment during first 12 months of review period)—

- (i) omit “the first 12 months of”, and
- (ii) after “review period” insert “except the last 30 days of that period”;

(b) after subsection (2) insert—

“(3) Paragraph 31(3) of Schedule 18 to FA 1998 (amendment not to take effect during enquiry) does not apply in relation to an amendment made under subsection (2).”

(3) In section 101B (amendment of CT return during review period: section 86 case)—

(a) in subsection (2) (amendment during first 12 months of review period)—

- (i) omit “the first 12 months of”, and
- (ii) after “review period” insert “except the last 30 days of that period”;

(b) after subsection (2) insert—

“(3) Paragraph 31(3) of Schedule 18 to FA 1998 (amendment not to take effect during enquiry) does not apply in relation to an amendment made under subsection (2).”

(4) After section 101B insert—

“101C Closure notices: rules during review period

(1) This section applies where—

- (a) a charging notice is issued to a company for an accounting period, and
- (b) the review period for that charging notice has not ended.

(2) In relation to an enquiry into the company tax return for the accounting period mentioned in subsection (1)(a)—

- (a) a final closure notice may not be given under paragraph 32 of Schedule 18 to FA 1998, and
- (b) a partial closure notice may not be given under that paragraph in relation to any matter which is, or could be, relevant to the charging notice mentioned in subsection (1)(a).

(3) Accordingly, a relevant tribunal direction has no effect until the review period has ended.

(4) In subsection (3) “relevant tribunal direction” means a direction given—

- (a) under paragraph 33 of Schedule 18 to FA 1998,

- (b) in relation to a closure notice that may not be given by virtue of subsection (2), and
- (c) during the review period mentioned in subsection (1)(b)."

- (5) This Resolution comes into force on 27 October 2021; and the new section 101C of the Finance Act 2015 inserted by paragraph (4) has effect in relation to any relevant tribunal direction which is given on or after that date unless the application for the direction was made before 27 September 2021.

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.

25. INSURANCE CONTRACTS (CHANGE IN ACCOUNTING STANDARDS)

Resolved,

That provision may be made—

- (a) conferring power on the Treasury to make provision in connection with the introduction of or any amendment to International Financial Reporting Standard 17 (insurance contracts) issued by the International Accounting Standards Board or any accounting standard replacing that standard, and
- (b) repealing section 79 of the Finance Act 2012.

26. CORPORATION TAX (DEDUCTIONS ALLOWANCE AND LEASES)

Resolved,

That provision (including provision having retrospective effect) may be made about the availability of an increased allowance under section 269ZX of the Corporation Tax Act 2010 (increase of deductions allowance where provision for onerous lease reversed) where a company accounts for a lease by means of a lease liability and a right-of-use asset.

27. EXPANDED DORMANT ASSETS SCHEME

Resolved,

That provision may be made in consequence of, or otherwise in connection with, any Act of the present Session that includes provision for and in connection with an expanded dormant assets scheme.

28. RESIDENTIAL PROPERTY DEVELOPER TAX

Resolved,

That provision may be made for a new tax to be charged on the profits of companies developing residential property.

29. ECONOMIC CRIME (ANTI-MONEY LAUNDERING) LEVY

Resolved,

That provision may be made for a new tax to be charged on persons carrying on a business to which the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 apply.

30. STAMP DUTY AND STAMP DUTY RESERVE TAX (SECURITISATION COMPANIES ETC)

Resolved,

That provision may be made conferring power on the Treasury to provide that stamp duty or stamp duty reserve tax is not chargeable on—

- (a) transfers of securities issued or raised by a securitisation company or a qualifying transformer vehicle, and
- (b) transfers of securities to or by a securitisation company.

31. VALUE ADDED TAX (MARGIN SCHEMES FOR USED CARS ETC AND NORTHERN IRELAND)

Resolved,

That provision (including provision having retrospective effect) may be made about the operation of the margin schemes under article 8 of the Value Added Tax (Cars) Order 1992 and article 12 of the Value Added Tax (Special Provisions) Order 1995 in relation to supplies of motor vehicles removed to Northern Ireland.

32. VALUE ADDED TAX (MARGIN SCHEMES AND REMOVAL OR EXPORT OF GOODS: PAYMENTS)

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made conferring power on the Treasury to provide that a person who removes goods to Northern Ireland, or exports them, for resale is entitled to a payment where resale of the goods in Great Britain could be accounted for under a margin scheme provided for in an order under section 50A of the Value Added Tax Act 1994.

33. VALUE ADDED TAX (MARGIN SCHEMES AND REMOVAL OR EXPORT OF GOODS: ZERO-RATING)

Resolved,

That provision may be made about the zero-rating of supplies of goods that are removed to Northern Ireland or exported where the supplier accounts for the supply under a margin scheme provided for in an order under section 50A of the Value Added Tax Act 1994.

34. VALUE ADDED TAX (RELIEF ON IMPORTED DENTAL PROSTHESES)

Resolved,

That provision (including provision having retrospective effect) may be made giving relief from value added tax chargeable on the importation of dental prostheses by or on behalf of persons registered under the Dentists Act 1984.

35. INSURANCE PREMIUM TAX (CONTRACTS RELATING TO RISKS OUTSIDE THE UNITED KINGDOM)

Resolved,

That provision may be made amending paragraph 8 of Schedule 7A to the Finance Act 1994.

36. IMPORT DUTY (TRANSITIONED TRADE REMEDIES)

Resolved,

That—

(1) Paragraphs (2) to (10) apply where a relevant review or reconsideration of a transitioned trade remedy has been initiated by the Trade Remedies Authority ("the TRA") but has not been concluded.

(2) The Secretary of State may notify the TRA in writing that, in relation to the matters under review or reconsideration, the Secretary of State is to decide whether to—

- (a) vary, maintain or revoke a tariff rate quota, anti-dumping amount or countervailing amount that is applicable to the goods to which the review or reconsideration relates, or
- (b) replace a tariff rate quota that is applicable to the goods to which the review or reconsideration relates with an additional amount of import duty.

(3) Accordingly—

- (a) functions of the TRA that would otherwise be exercisable in relation to the matters under review or reconsideration cease to be exercisable by the TRA (but this is subject to paragraph (6)(d));
- (b) the Secretary of State's decision need not be based on a recommendation or decision of the TRA in relation to the matters under review or reconsideration;
- (c) provisions made by the Safeguards Regulations, the Dumping and Subsidisation Regulations and the Reconsideration and Appeals Regulations have effect subject to provision made by or under this Resolution.

(4) The Secretary of State must publish notice giving effect to a decision under paragraph (2).

(5) The Secretary of State may by regulations make provision for the purposes of paragraph (2).

(6) The following are examples of provision that regulations under paragraph (5) may make in relation to a decision under paragraph (2)—

- (a) provision specifying steps that are to be taken by the Secretary of State before notifying the TRA under paragraph (2),
- (b) provision specifying factors that are, or are not, to be taken into account by the Secretary of State in making the decision,
- (c) provision treating steps taken by the TRA in relation to the matters under review or reconsideration as steps taken by the Secretary of State,
- (d) provision requiring the TRA to do specified things of any kind (including things specified by the Secretary of State in directions) for the purpose of assisting the Secretary of State in making the decision,
- (e) provision authorising the disclosure of information between the Secretary of State and the TRA,
- (f) provision treating notice of the decision and anything having effect under the decision as having effect under the Taxation (Cross-border Trade) Act 2018 ("TCTA 2018"),
- (g) provision for and in connection with appeals against the decision, and
- (h) provision amending or otherwise modifying the Safeguards Regulations, the Dumping and Subsidisation Regulations or the Reconsideration and Appeals Regulations.

(7) For the purposes of this Resolution—

- (a) a relevant review or reconsideration of a transitioned trade remedy is initiated when—
 - (i) the TRA publishes notice of initiation of a review under regulation 49(2)(a) of the Safeguards Regulations or regulation 98(1) of the Dumping and Subsidisation Regulations,
 - (ii) the TRA publishes notice of initiation of reconsideration of an original decision under regulation 12(1) of the Reconsideration and Appeals Regulations, or
 - (iii) the Upper Tribunal refers an original decision back to the TRA under regulation 18(3) of the Reconsideration and Appeals Regulations;
- (b) a relevant review or reconsideration of a transitioned trade remedy is concluded when—
 - (i) the Secretary of State accepts or rejects the TRA's recommendation or decision following the review or reconsideration,
 - (ii) the TRA publishes notice or notifies the Secretary of State that it is upholding the original decision under regulation 14(5) of the Reconsideration and Appeals Regulations (whichever is earlier), or
 - (iii) the TRA makes a new decision following a referral by the Upper Tribunal under regulation 18(3) of the Reconsideration and Appeals Regulations.

(8) For the purposes of paragraph (7), an "original decision" means a recommendation made by the TRA to the Secretary of State under—

(a) regulation 100(1) of the Dumping and Subsidisation Regulations, or

(b) regulation 51(1) of the Safeguards Regulations.

(9) Section 32(7) and (8) of TCTA 2018 apply to regulations made under this Resolution as if they were regulations made under Part 1 of that Act.

(10) Regulations under this Resolution are to be made by statutory instrument; and an instrument containing regulations made under this Resolution is subject to annulment in pursuance of a resolution of the House of Commons.

(11) In regulation 14 of the Reconsideration and Appeals Regulations, after paragraph (5) insert—

"(5A) Where the original decision is a recommendation under regulation 100(1) of the Dumping and Subsidisation Regulations or regulation 51(1) of the Safeguards Regulations, the TRA must notify the Secretary of State of its intention to uphold the original decision at least 30 days before taking the steps under paragraph (5)."

(12) In this Resolution—

"the Safeguards Regulations" means the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019 (S.I. 2019/449);

"the Dumping and Subsidisation Regulations" means the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (S.I. 2019/450);

"the Reconsideration and Appeals Regulations" means the Trade Remedies (Reconsideration and Appeals) (EU Exit) Regulations 2019 (S.I. 2019/910).

(13) This Resolution comes into force on 3 November 2021.

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.

37. IMPORT DUTY (CALCULATION OF DUTY BY REFERENCE TO DOCUMENTS)

Resolved,

That provision may be made to enable documents referred to in regulations made under sections 8 to 19 of the Taxation (Cross-border Trade) Act 2018 to be amended by notice for the purpose of the regulations.

38. HYDROCARBON OIL DUTIES (USE OF REBATED DIESEL AND BIOFUELS)

Resolved,

That provision (including provision having retrospective effect) may be made amending the Hydrocarbon Oil Duties Act 1979 in connection with the use of rebated diesel and biofuels by specified categories of machine.

39. RATES OF TOBACCO PRODUCTS DUTY

Resolved,

That—

(1) In Schedule 1 to the Tobacco Products Duty Act 1979 (table of rates of tobacco products duty), for the Table substitute—

"TABLE"	
1 Cigarettes	An amount equal to the higher of— (a) 16.5% of the retail price plus £262.90 per thousand cigarettes, or (b) £347.86 per thousand cigarettes.
2 Cigars	£327.92 per kilogram

"TABLE"

3 Hand-rolling tobacco	£302.34 per kilogram
4 Other smoking tobacco and chewing tobacco	£144.17 per kilogram
5 Tobacco for heating	£270.22 per kilogram"

(2) In consequence of the provision made by paragraph (1), in Schedule 2 to the Travellers' Allowances Order 1994 (which provides in certain circumstances for a simplified calculation of excise duty on goods brought into Great Britain)—

- (a) in the entry relating to cigarettes, for "£320.90" substitute "£347.86",
- (b) in the entry relating to hand rolling tobacco, for "£271.40" substitute "£302.34",
- (c) in the entry relating to other smoking tobacco and chewing tobacco, for "£134.24" substitute "£144.17",
- (d) in the entry relating to cigars, for "£305.32" substitute "£327.92",
- (e) in the entry relating to cigarillos, for "£305.32" substitute "£327.92", and
- (f) in the entry relating to tobacco for heating, for "£75.48" substitute "£81.07".

(3) The amendments made by this Resolution come into force at 6pm on 27 October 2021.

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.

40. RATES OF VEHICLE EXCISE DUTY FOR PASSENGER OR LIGHT GOODS VEHICLES, MOTORCYCLES ETC

Resolved,

That provision may be made amending the rates of vehicle excise duty in Parts 1 to 2 of Schedule 1 to the Vehicle Excise and Registration Act 1994.

41. VEHICLE EXCISE DUTY (EXEMPTION FOR CABOTAGE OPERATIONS)

Resolved,

That—

(1) The Motor Vehicles (International Circulation) Order 1975 (S.I. 1975/1208) is modified in accordance with paragraph (2).

(2) Article 5 (excise exemption and documents for vehicles brought temporarily into the United Kingdom) has effect as if—

- (a) in paragraph (2), after sub-paragraph (c) there were inserted—
 - "(d) in a case of a vehicle being used for or in connection with a cabotage operation in Great Britain that is not exempt from excise duty under sub-paragraph (b) or (c), the vehicle is exempt from excise duty if and for so long as—
 - (i) the cabotage operation consists of national carriage for hire or reward by a haulier;
 - (ii) no more than 14 days has elapsed beginning with the day on which the vehicle arrived in the United Kingdom in the course of a laden journey;
 - (iii) the vehicle is being used at any time during the period ending with 30th April 2022; and
 - (iv) either paragraph (2ZA) or (2ZB) applies in the case of the vehicle.";
- (b) after paragraph (2) there were inserted—

"(2ZA) This paragraph applies in the case of a vehicle if—

- (a) the haulier is the holder of a Community licence, and
- (b) the driver of the vehicle, if a national of a country which is not a member State, holds a driver attestation.

(2ZB) This paragraph applies in the case of a vehicle if—

- (a) the vehicle is a foreign goods vehicle, and
- (b) the vehicle lawfully entered the United Kingdom in the course of a laden international road transport.

(2ZC) The definition of "foreign goods vehicle" in regulation 3(1) of the Goods Vehicles (Licensing of Operators) (Temporary Use in Great Britain) Regulations 1996 (S.I. 1996/2186) applies for the purposes of paragraph (2ZB)(a), but as if paragraph (d) of that definition were omitted."

(3) The modifications made by this Resolution have effect in the case of vehicles arriving in the United Kingdom on or after 28 October 2021.

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.

42. HGV ROAD USER LEVY (EXTENSION OF SUSPENSION)

Resolved,

That provision may be made amending section 88 of the Finance Act 2020.

43. AMOUNTS OF GROSS GAMING YIELD CHARGED TO GAMING DUTY

Resolved,

That provision may be made increasing the amounts of gross gaming yield specified in the table in section 11(2) of the Finance Act 1997.

44. EXCISE DUTY PENALTIES

Resolved,

That—

(1) Schedule 41 to the Finance Act 2008 (penalties: failure to notify and certain VAT and excise wrongdoing) is amended as follows.

(2) In paragraph 1 (penalty payable on failure to comply with relevant obligation), in the table (relevant obligations), in the fourth entry for "excise duties", for "their release for free circulation" substitute "a declaration for the free circulation procedure or an authorised use procedure being accepted".

(3) In paragraph 4 (handling goods subject to unpaid excise duty etc), in subparagraph (2), in the definition of "excise duty point", after "1992" insert "(and includes any excise duty point created or deemed to be created as a result of provision in regulations under section 45 of the Taxation (Cross-border Trade) Act 2018 (general regulation making power for excise duty purposes etc))".

(4) This Resolution comes into force on 3 November 2021.

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.

45. RATES OF LANDFILL TAX

Resolved,

That provision may be made increasing the rates of landfill tax.

46. PLASTIC PACKAGING TAX

Resolved,

That provision may be made for the purposes of plastic packaging tax—

- (a) providing for exemptions or other reliefs,
- (b) amending section 50 of the Finance Act 2021 (timing of importation),

- (c) about the period for which records are to be kept,
- (d) about groups of companies, and
- (e) about the meaning of “related business” in Schedule 9 to the Finance Act 2021.

47. PROMOTION OF TAX AVOIDANCE SCHEMES

Resolved,

That provision may be made —

- (a) about petitions for the winding up of bodies in connection with the promotion of tax avoidance schemes,
- (b) about the publication by Her Majesty’s Revenue and Customs of information in connection with the promotion of such schemes,
- (c) for the freezing of a person’s assets in connection with applications for penalties relating to the promotion of such schemes, and
- (d) about penalties for facilitating avoidance schemes involving nonresident promoters.

48. ELECTRONIC SALES SUPPRESSION

Resolved,

That provision may be made about—

- (a) penalties for persons who engage in activities involving tools used, or capable of being used, to suppress electronic sales records that are required to be kept by or under any legislation relating to tax, and
- (b) powers for Her Majesty’s Revenue and Customs to obtain information in relation to such persons and such tools.

49. TOBACCO PRODUCTS DUTY (TRACING AND SECURITY)

Resolved,

That provision may be made about security features applied to the packaging of tobacco products, and the recording of movements of such products, to facilitate the administration, collection or enforcement of the duty charged under section 2 of the Tobacco Products Duty Act 1979.

50. FREE ZONES

Resolved,

That—

- (1) The Value Added Tax Act 1994 is amended as follows.
- (2) In section 6(1) (time of supply), for “and 18C” substitute “, 18C and 57A”.
- (3) In section 7(1) (place of supply of goods), for “and 18B” substitute “, 18B and 57A”.
- (4) In section 7A(1) (place of supply of services), after “applies” insert “, subject to section 57A,”.
- (5) In section 17 (free zone regulations) omit subsection (2).
- (6) In section 18 (goods subject to a warehousing regime: place and time of supply), in subsection (6)—
 - (a) at the appropriate place insert—

“‘free zone procedure’ has the meaning given by the Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018 (S.I. 2018/1249) (see regulation 2(3)(b) of those Regulations);”;
 - (b) in the definition of “warehouse”, after paragraph (d) insert

“, but does not include a warehouse so far as it is used for the storage of goods declared for a free zone procedure.”
- (7) At the end of Part 3 (application of the Value Added Tax Act 1994 in particular cases) insert—

“57A Importation following zero-rated free zone supply: deemed supply

- (1) This section applies where—
 - (a) a person (“P”) receives—
 - (i) a zero-rated free zone supply of goods, or
 - (ii) a zero-rated free zone supply of services, and
 - (b) Condition A or B is met.
- (2) Condition A is met where, after the supply mentioned in subsection (1)(a), there is, in respect of the goods supplied or the goods on or in relation to which the service is performed (as the case may be), a breach of a requirement relating to the free zone procedure without there having been a zero-rated free zone supply by P of the goods after receiving the supply mentioned in that subsection.
- (3) Condition B is met where, after the supply mentioned in subsection (1)(a)—
 - (a) the goods supplied or the goods on or in relation to which the service is performed (as the case may be) are imported (other than by virtue of Condition A being met) without there having been a zero-rated free zone supply by P of those goods after receiving the supply mentioned in that subsection, and
 - (b) within the period of three months beginning with the day on which the goods are imported, P does not make a taxable supply of the goods to another person in the course or furtherance of P’s business.
- (4) For the purposes of this Act—
 - (a) a supply of goods identical to the zero-rated free zone supply of goods or a supply of services identical to the zero-rated free zone supply of services (as the case may be) is to be treated as having been made—
 - (i) by P in the course or furtherance of a business carried on by P, and
 - (ii) to P for the purposes of that business, and
 - (b) that supply is to be treated—
 - (i) as taking place on the relevant day,
 - (ii) as being made in the United Kingdom,
 - (iii) as having the same value as the zero-rated free zone supply of goods or the zero-rated free zone supply of services (as the case may be), and
 - (iv) as a taxable (and not a zero-rated) supply.
- (5) For the purposes of Condition A, the reference to a breach of a requirement relating to a free zone procedure is to—
 - (a) a breach, occurring while the procedure has effect, of the terms of the declaration for the procedure or of any other requirement imposed in relation to the procedure by or under Schedule 2 to TCTA 2018, or
 - (b) a breach, occurring at any time after the declaration was made, of any other requirement imposed by an officer of Revenue and Customs in relation to the goods for which the declaration was made.
- (6) The Commissioners may by regulations make provision—
 - (a) modifying the application or effect of this section, or
 - (b) applying this section, with or without modification, in relation to cases set out in the regulations.
- (7) In this section—
 - “free zone procedure” has the same meaning as in Group 22 of Schedule 8 (free zones);
 - “relevant day” means—
 - (a) in a case where this section applies by virtue of Condition A being met, the day on which the breach mentioned in that Condition occurred;

- (b) in a case where this section applies by virtue of Condition B being met, the day after the end of the period mentioned in that Condition;
 “zero-rated free zone supply of goods” means a supply of goods within Item 1(a) of Group 22 to Schedule 8 (free zone procedure goods);
 “zero-rated free zone supply of services” means a supply of services within Item 1(b) of that Group (free zone services).”

(8) This Resolution comes into force on 3 November 2021.

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.

51. LARGE BUSINESSES (NOTIFICATION OF UNCERTAIN TAX TREATMENT)

Resolved,

That provision may be made requiring bodies to notify Her Majesty’s Revenue and Customs if amounts included in a tax return have an uncertain tax treatment.

52. DISCOVERY ASSESSMENTS ETC

Resolved,

That provision (including provision having retrospective effect) may be made amending—

- (a) section 29(1)(a) of the Taxes Management Act 1970 (assessment where loss of tax discovered),
- (b) section 7 of the Taxes Management Act 1970 (notice of liability to income tax and capital gains tax), and
- (c) section 30(1) of the Income Tax Act 2007 (additional tax).

53. TEMPORARY INCOME TAX POWERS IN DISASTER OR EMERGENCY

Resolved,

That provision may be made conferring powers on the Treasury, exercisable in connection with circumstances arising as a result of a disaster or emergency of national significance, to modify Part 3, 4, or 5 of the Income Tax (Earnings and Pensions) Act 2003 so as to provide, for a temporary period, that a liability to income tax that would otherwise arise does not arise.

54. VEHICLE CO₂ EMISSIONS CERTIFICATES (TAX RELIEFS)

Resolved,

That provision may be made (including provision having retrospective effect) about certificates in relation to the CO₂ emissions of vehicles for the purposes of—

- (a) section 268C(1) of the Capital Allowances Act 2001 (meaning of “qualifying emissions certificate”), and
- (b) Chapter 6 of Part 3 of the Income Tax (Earnings and Pensions) Act 2003 (taxable benefits: cars etc).

55. VEHICLE CO₂ EMISSIONS CERTIFICATES (VEHICLE LICENCES)

Resolved,

That—

(1) In Part 1A of Schedule 1 to the Vehicle Excise and Registration Act 1994 (light passenger vehicles registered before 1 April 2017), in paragraph 1G, for subparagraph (2) substitute—

- “(2) References in this Part of this Schedule to a “UK approval certificate” are, in relation to a vehicle, to—
- (a) a certificate issued under
 - (i) section 58(1) or (4) of the Road Traffic Act 1988 (c 52), or

- (ii) Article 31A(4) or (5) of the Road Traffic (Northern Ireland) Order 1981 (S.I. 1981/154 (NI 1)), or
- (b) any other certificate or document issued in the United Kingdom on the basis of which the vehicle is first registered, other than an EC certificate of conformity.”

(2) The amendment made by this Resolution has effect in relation to licences taken out on or after 3 November 2021.

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.

56. OFFICE OF TAX SIMPLIFICATION (MEMBERSHIP)

Resolved,

That provision may be made increasing the membership of the Office of Tax Simplification.

57. INCIDENTAL PROVISION ETC

Resolved,

That it is expedient to authorise—

- (a) any incidental or consequential charges to any duty or tax (including charges having retrospective effect) that may arise from provisions designed in general to afford relief from taxation, and (b) any incidental or consequential provision (including provision having retrospective effect) relating to provision authorised by any other resolution.
- (b) any incidental or consequential provision (including provision having retrospective effect) relating to provision authorised by any other resolution.

FINANCE (MONEY)

Queen’s recommendation signified.

Resolved,

That, for the purposes of any Act of the present Session relating to finance, it is expedient to authorise—

- (a) the payment out of money provided by Parliament of—
 - (i) any expenditure incurred under or by virtue of the Act in connection with a tax charged on persons carrying on a business to which the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 apply,
 - (ii) sums payable by the Treasury to a person who removes goods to Northern Ireland, or exports them, for resale where resale of the goods in Great Britain could be accounted for under a margin scheme provided for in an order under section 50A of the Value Added Tax Act 1994,
 - (iii) any expenditure incurred under or by virtue of the Act by the Secretary of State in connection with import duty,
 - (iv) any expenditure incurred under or by virtue of the Act by a person on whom functions are conferred in connection with a scheme for the application of security features to the packaging of tobacco products, and the recording of movements of such products, and
 - (v) any expenditure incurred by the Treasury which is attributable to an increase in the membership of the Office of Tax Simplification, and
- (b) the payment of sums into the Consolidated Fund in connection with the tax mentioned in paragraph (a)(i).

Ordered,

That a Bill be brought in upon the foregoing Resolutions;

That the Chairman of Ways and Means, the Prime Minister, the Chancellor of the Exchequer, Secretary Kwasi Kwarteng, Secretary Grant Shapps, Secretary

Nadine Dorries, Secretary Anne-Marie Trevelyan, Secretary Michael Gove, Simon Clarke, John Glen, Helen Whately and Lucy Frazer bring in the Bill.

FINANCE (No. 2) BILL

Presentation and First Reading

Lucy Frazer accordingly presented a Bill to grant certain duties, to alter other duties, and to amend the law relating to the national debt and the public revenue, and to make further provision in connection with finance.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 184) with explanatory notes (Bill 184-EN).

Ian Blackford (Ross, Skye and Lochaber) (SNP): On a point of order, Madam Deputy Speaker. I think we are all aware that a number of Members have not been able to participate in the Divisions tonight because of ill health, some of it covid-related and some of it not. I wanted to raise this issue specifically on behalf of my hon. Friend the Member for East Dunbartonshire (Amy Callaghan). She wanted to be present tonight to register her opposition to the Budget, but as she is recovering from illness, she cannot be here.

During much of the pandemic, the option of proxy voting was open to Members. It is not just Members who have covid and other illnesses who are being disenfranchised; it is also the electors who sent them here. It really is about time that Members who for legitimate, genuine reasons cannot cast their vote, such as my hon. Friend the Member for East Dunbartonshire, were given proper consideration by this House. I wonder what we can do through your offices, Madam Deputy Speaker, to ensure that my hon. Friend's vote is registered this evening, and that those who have legitimate reasons not to be here can be offered the opportunity of proxy participation.

Madam Deputy Speaker (Dame Rosie Winterton): I am grateful to the right hon. Gentleman for giving notice of his point of order. May I first say how sorry I am to hear about the illness of the hon. Member for East Dunbartonshire? I know that the whole House will want to join me in sending her our best wishes.

I do of course understand the frustration of any Member who because of illness is unable to be here and to vote, but the right hon. Gentleman will be aware that the rules of the House state that proxy votes are not available in those circumstances. That decision is a matter for the House rather than the Chair. However, the right hon. Gentleman is, I hope, also aware that the Procedure Committee is looking into this issue—indeed, I understand that the hon. Member for East Dunbartonshire gave oral evidence to the Committee yesterday. No doubt the House will read its conclusions with a great deal of interest when they are available, but I have to confirm that the current situation regarding proxy votes is as I have set out.

Karen Bradley (Staffordshire Moorlands) (Con): Further to that point of order, Madam Deputy Speaker. May I advertise the fact that the Procedure Committee is taking evidence on this matter, that we did take oral evidence from the hon. Member for East Dunbartonshire yesterday, and that we will be keen to hear the views of all right hon. and hon. Members?

Madam Deputy Speaker: I thank the right hon. Lady for confirming the process that is being undertaken. I am sure that many Members will want to contribute to her inquiry.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

INSOLVENCY

That the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Amendment of Schedule 10) (No. 2) Regulations 2021 (SI, 2021, No. 1091), dated 27 September 2021, a copy of which was laid before this House on 28 September, be approved.—(*Mrs Wheeler.*)

Question agreed to.

BUSINESS OF THE HOUSE (3 NOVEMBER)

Ordered,

That, at the sitting on Wednesday 3 November, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Mr Jacob Rees-Mogg relating to the Committee on Standards not later than 90 minutes after the commencement of proceedings on that Motion; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; the business on that Motion may be entered upon and proceeded with at any hour, though opposed; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Mrs Wheeler.*)

COMMITTEES

Madam Deputy Speaker (Dame Rosie Winterton): With the leave of the House, I will take motions 5 to 11 together.

Ordered,

BACKBENCH BUSINESS

That Gareth Bacon be discharged from the Backbench Business Committee and Duncan Baker be added.

EUROPEAN SCRUTINY

That Charlotte Nichols be discharged from the European Scrutiny Committee and Dame Margaret Hodge be added.

EUROPEAN STATUTORY INSTRUMENTS

That Charlotte Nichols be discharged from the European Statutory Instruments Committee and Dame Margaret Hodge be added.

HEALTH AND SOCIAL CARE

That Dr James Davies be discharged from the Health and Social Care Committee and Lucy Allan be added.

HOME AFFAIRS

That Dehenna Davison and Ruth Edwards be discharged from the Home Affairs Committee and James Daly and Gary Sambrook be added.

JUSTICE

That Miss Sarah Dines be discharged from the Justice Committee and Paul Maynard be added.

WOMEN AND EQUALITIES

That Nicola Richards be discharged from the Women and Equalities Committee and Jackie Doyle-Price be nominated.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

Shipbuilding and Ferguson Marine Engineering Ltd Insolvency

Motion made, and Question proposed, That this House do now adjourn.—(Mrs Wheeler.)

7.34 pm

Kenny MacAskill (East Lothian) (Alba): This debate goes to the heart of two Scottish institutions. The first is Caledonian MacBrayne—CalMac—which provides lifeline services to the Scottish highlands and islands and whose ships are acquired for it by Caledonian Maritime Assets Ltd, or CMAL; both are Scottish Government agencies. The second is Ferguson Marine Engineering Ltd, which operated the last shipyard on the lower Clyde—a river where ships admired around world were made—but which has been excluded from the most recent CMAL tender to build CalMac ships, and orders are going abroad.

CalMac and Ferguson are part of Scotland's story, but they are also vital to Scotland's future. Communities devastated by incessant breakdowns and cancellations need a fast and reliable service to maintain them and allow them to grow. For that, new ships are required. Not only should Ferguson be building them, but yards elsewhere along the length of the Clyde, not just in Port Glasgow but on other sites that can be revitalised. Instead, CalMac is floundering and Ferguson's future is threatened.

In 2014, Ferguson was saved by the intervention of Jim McColl, and all looked rosy. What has gone wrong? Why have vessels 801 and 802 been so delayed, why have costs overrun so massively, and why has Ferguson Marine Engineering Ltd gone into liquidation? At the core of those questions are procurement and administration, both of which are issues reserved to Westminster. I hope that Ministers will be able to provide answers, if not an inquiry, into a scandal that needs to be resolved.

First, let me rebut suggestions that the yard or the workforce were to blame. History shows what the Clyde can do, and the same skills still remain at Ferguson. Moreover, research by the National Union of Rail, Maritime and Transport Workers has shown that of the eight ships that have broken down recently, only two were built on the Clyde, and they were among the oldest ships, where difficulties could be expected. CMAL recognised the skills there when placing the order for ships 801 and 802. In evidence to the Scottish Parliament's Rural Economy and Connectivity Committee inquiry, Jim Anderson, the director of vessels, stated:

"The shipyard was already building ships for us. It had a good history of building these type of ships."

Even more convincing was Commodore Luke van Beek, a Dutch maritime expert appointed by the Scottish Government, who said:

"I was in no doubt it had the management expertise. Having rebuilt the yard, Ferguson Marine had a good shipbuilding system in place."

For sure, mistakes will have been made and perhaps more could have been done, but it was and remains a skilled workforce and Jim McColl and his company have a global reputation for engineering prowess. His initial intervention was lauded by the Scottish Government. The suggestion that he can succeed around the world but not in Scotland is absurd. Procurement and liquidation lie at the heart of this mess, and responsibility rests with CMAL and the Scottish Government.

Dealing first with procurement, there are two aspects: the contract specification and the requirement for the vessels to be dual fuel—that is, operating on both marine diesel and liquefied natural gas. Dealing first with the contract, it is clear that what was signed off by CMAL was lacking in specification, and that most of the problems arose from that. There was a design and build contract for a ship at an initial price of £97 million, but many critical factors were not clear. That was a recipe for discord and, indeed, disaster. Costs rose as changes kept being made, and just what was to be built was never entirely clear. As Jim McColl said:

"We would normally expect the specification to be more fleshed out."

He continued:

"Price was based on the specification that were had at the time. As we have said it was not detailed at that time, there were still some open ends that we had to resolve collaboratively with CMAL."

The second issue was fuelling. Leaving aside why, environmentally, we would even consider LNG, basic engineering concerns remain. It is a relatively new technology, more normally used on larger vessels than on smaller ones, such as ships 801 and 802, where other options such as batteries or hydrogen are preferred. Whatever CMAL or the Scottish Government may suggest, dual-fuel LNG was the diktat of CMAL, not the want of CalMac. As Van Beek said,

"801 and 802 were not the ships that CalMac wanted... When I met the chief executive of CalMac, I was very surprised to discover that it was not and had not been involved, except in having made some observations right at the beginning of the process, when it had said that it did not want LNG ships."

It is also not surprising that CalMac did not want LNG ships, as there is no LNG infrastructure in Scottish ports. I asked CMAL what consideration was given to onshore supply systems, what was in situ at the time of requisition, and what the situation is now for LNG. This is the answer given:

"At the time the only load out facility in the UK was the Isle of Grain. There were 3 projects looking at the bulk storage in Scotland 2 on the East Coast and one on the West Coast—so far none of these have been built out."

CalMac operates in the Hebrides and on the Clyde, which lie on Scotland's west coast. The Isle of Bute is in the latter and the Isle of Lewis in the former, but the Isle of Grain is in Kent, on England's east coast. No wonder CalMac did not want it.

Having messed up the tender, CMAL proceeded to make a bad situation worse. When co-operation between shipbuilder and vessel procurer was needed, CMAL refused to co-operate. That is confirmed by Van Beek, who said that

"CMAL had no interest in compromising".

Most damningly, he added that

"the people who I met from CMAL were adamant that they did not want to discuss ways to make the situation better."

FMEL offered mediation, but CMAL refused. This was the modern equivalent of the Titanic racing into the iceberg.

This was known to the Scottish Government, as Van Beek made clear, saying:

"I said exactly the same thing when I briefed Mr Mackay. I said that the relationship between the customer and the client was broken, and that some things that CMAL was doing were very unhelpful."

The “Mr Mackay” is Derek Mackay, then the Scottish Finance Secretary. Knowing all that, what did the Scottish Government do? Did they remove CMAL? No, they did not; CMAL remains, running the show and tendering for vessels abroad when work is needed on the Clyde. Instead, they forced FMEL into liquidation. As Jim McColl said in evidence:

“The Scottish Government didn’t save the yard from administration, they forced it into administration by repeatedly refusing to instruct CMAL to engage in reasonable requests for mediation, an expert witness process or arbitration.”

Administration was not the recommendation made by their own expert adviser, Commodore Van Beek. He advised arbitration, but instead the Scottish Government chose administration. Why? I am afraid Mr Van Beek cannot help us on that, as he said:

“I have no idea why he chose that route. It was against my advice.”

The “he” is, again, Derek Mackay, who said that the CMAL board would resign on mass if he interfered. Many communities might have said, “Accept their resignations with alacrity.”

By the time we got to the Scottish Parliament inquiry, the Scottish Government line was that “contractor error” was to blame. That was put forward by Paul Wheelhouse, who was then the Islands Minister. Why were neither the First Minister nor the then Finance Secretary called to give evidence? Rather than the senior Ministers directly involved, it was left to a junior Minister with no prior involvement to speak for the Government and to put forward a position that was not the view of the Government’s own expert, who had been supportive of FMEL’s getting the contract and critical of CMAL’s actions and who suggested arbitration, not administration.

More damningly, if the contractors were responsible, why did the First Minister meet Mr McColl privately when the dispute between FMEL and CMAL was raging, outwith the presence and even knowledge of CMAL, and provide significant financial assistance to FMEL? If the contractor was in error, why keep funding it? Moreover, why ignore the advice of their own expert? No wonder the Scottish Parliament concluded that

“there has been a catastrophic failure in the management of the procurement of vessels 801 and 802, leading us to conclude that these processes are no longer fit for purpose”.

Liquidation followed, but the questions about this whole sorry saga only increase.

On 14 August 2019, FMEL went into liquidation. Aware of its financial difficulties, FMEL had already engaged KPMG to act in the administration it saw looming, but the Scottish Government appointed Deloitte, insisting that any administrator appointed had to be acceptable to CMAL. As disclosed to Lord Tyre in a related court case, Deloitte and the Scottish Government had been “contingency planning”, and the former was appointed by the latter despite the Scottish Government being only the second-ranking creditor, yet also the largest debtor.

On 16 August, Deloitte arrived at the yard—the same day the Scottish Government declared publicly that they had nationalised it. Yet administrators are required to consider the position and speak to all creditors before any disposal can take place. None had, but the position was not challenged by Deloitte. It would be some time before the administration was finalised, and the yard was not formally taken over by the Government

until 2 December. Instead, having been appointed administrators at the behest of the Scottish Government, Deloitte in turn appointed Macrocom to run the yard. Macrocom is a company wholly owned by Scottish Ministers. Deloitte also refused to pursue any potential claim by FMEL—now in liquidation—against CMAL. That could have been substantial and might also have offered some clarity.

Former senior staff have been moved on, and non-disclosure agreements have been signed. Why? Surely experience was needed at that juncture and information should be publicly available. Questions therefore arise regarding the liquidation and the role of administrators. These actions have been raised with the Institute of Chartered Accountants in England and Wales and questions have been asked as to whether it acted with “objectivity and integrity”. Hopefully, we will be advised on that soon.

As things now stand, the yard is operated by the Scottish Government, but although the salaries of senior management grow exponentially, progress is still slow on ships 801 and 802. At the time of liquidation, work on military vessels had been agreed with Babcock, fishing support vessels were being built, with more to be won, and work was ongoing on the world’s first hydrogen-propulsion system, which had received an international award. Now, though, islands are still bereft of services, communities and businesses are threatened, and the yard is worried about its future as CMAL tenders orders abroad and other orders have been lost.

Neale Hanvey (Kirkcaldy and Cowdenbeath) (Alba): Does my hon. Friend, as the biographer of the late Jimmy Reid, share my concern that this whole sorry affair, and the Scottish Government’s involvement in it, renders their protestations about Type 26 frigates risible and is deeply damaging to the proud history of shipbuilding on the Clyde?

Kenny MacAskill: I agree with my hon. Friend. The history of Scottish shipbuilding is a fantastic record, but it also has a future. To have a future, it has to be not simply on the upper Clyde but on the lower Clyde, and that takes me to what needs to be done.

There needs to be clarity on CMAL’s actions and the role of Government Ministers responsible. A public inquiry should be held. The Holyrood inquiry suggested an independent external review. That, I believe, is inadequate. This straddles reserved and devolved competencies. Will the Minister consider seeking to establish a joint inquiry with the Scottish Government, as happened, for example, with the Stockline explosion? Moreover, for the communities involved and for Scotland’s industrial future, action is needed. To use football parlance, sack the board and remove the manager. CMAL should be abolished.

CalMac, in consultation with the communities, which must have rights, should be responsible for the selection of ships. The management team that has been put into Ferguson needs to be removed. The replacement of the CalMac fleet, which will involve several vessels a year and over decades to come, should be placed out to tender, but with the stipulation that Ferguson and other sites in Scotland must be used for their construction by whoever wins it.

We need clarity on what went wrong, but fundamentally we need to secure a ferry service for our remote communities and provide a future for our shipyards on the lower Clyde.

7.51 pm

The Parliamentary Under-Secretary of State for Scotland (Iain Stewart): May I begin by congratulating the hon. Member for East Lothian (Kenny MacAskill) on securing this debate? I will turn to the important points and questions that he has raised shortly, although I do have to say at the outset that they are for the Scottish Government, and not for me, to answer.

I first want to put this debate in the context of shipbuilding in Scotland more generally. As a global trading island nation with a proud maritime history, shipbuilding is an important part of our industrial identity. Scotland, like every part of the United Kingdom, offers much to our security, sovereignty and prosperity and plays a critical role in the collective defence of our region and global interests.

My Department has been working closely with the Ministry of Defence to deliver on our ambition to support military shipbuilding in Scotland, and the industry there currently benefits most from MOD expenditure. The Secretary of State for Defence, in his role as shipbuilding tsar, is acutely aware of the value of shipbuilding in Scotland. He is leading work across Government to deliver on his vision to support industry across the Union, enabling it to become more productive, innovative, and competitive.

UK naval shipbuilding is currently centred around BAE Systems' Scotstoun and Govan shipyards and Babcock's Rosyth shipyard, which also have strong naval export markets. These yards are producing the Type 26 and Type 31 frigates—two crucial naval procurements. Three of the Type 26 ships—HMS Glasgow, HMS Cardiff and HMS Belfast—are under construction on the Clyde. Manufacture of these new, highly capable ships is securing about 1,700 skilled shipbuilding jobs in Scotland and some 4,000 jobs throughout the supply chain across Britain until 2035.

On 23 September 2021, the shipbuilding tsar officially cut steel for HMS Venturer, the first of the Royal Navy's Type 31 frigates, during a ceremony held at Rosyth dockyard. The event marks a significant milestone in the programme for the Royal Navy, defence and shipbuilding in Scotland, with all five vessels to be built by Babcock on the firth of Forth at an average production cost of £250 million per vessel. The Type 31 contract, awarded in November 2019 and to run until 2028, has led to a £71 million infrastructure investment for the dockyard and sustains 130 apprenticeships and 20 graduate positions.

Last month, my noble Friend the Minister of State, Baroness Goldie, had the opportunity to speak with some of Babcock's current apprentices to hear at first hand how their academic interests in science, technology, engineering and maths have led to a career in defence manufacturing. Since March 2020, Babcock has supported approximately 300 apprentices, mostly from the local area of Dunfermline and West Fife. My right hon. Friend the Secretary of State for Scotland recently visited the Govan shipyard, where he was briefed on the Type 26 programme by Simon Lister, head of BAE's naval ships business, and had the opportunity to engage with employees and trade union representatives.

Our national shipbuilding strategy refresh will be published later this year. It will set out how the Government intend to set the conditions for success in the UK shipbuilding industry, both domestically and for exports, and how the Government will work with the industry to

create lasting transformation. Scottish yards are likely to benefit from the new investment in the Type 32 multi-role ocean surveillance and multi-role support ships, and in Royal Fleet Auxiliary landing ship conversion. The shipbuilding strategy refresh will set out how the Government will provide further support to industry on exports and how we will engage with overseas partners to secure export successes. Indeed, my noble Friend the Lord Offord was in India just the other week, helping to explore the potential for future export orders.

A regular drumbeat of design and manufacturing work in UK yards is needed to maintain the industrial capabilities that are important for UK national security, and to drive efficiencies that will reduce longer-term costs in the shipbuilding portfolio and help to secure further export success. A stable pipeline of orders, as the hon. Gentleman has indicated, is clearly necessary to build and maintain a skilled workforce.

Ronnie Cowan (Inverclyde) (SNP): It is good to see a debate taking place in this House on a company based in my constituency of Inverclyde. In fact, the three companies—CMAL, Caledonian MacBrayne and Ferguson—are all based in Inverclyde. It would have been nice to have been notified that this debate was going to happen. I would have expected that courtesy to be extended to me by the hon. Member for East Lothian (Kenny MacAskill).

I share the Minister's optimism for British shipbuilding. Look at what we are building with Ferguson Marine, after all the troubles it has had—yes, it has been a stormy journey, but it will be retooled, and have new shedding and a re-energised workforce, with 40 apprentices working out of there. I could not have said that five, six or seven years ago. My hope for Inverclyde and for Ferguson Marine is a successful and buoyant future.

Iain Stewart: I thank the hon. Gentleman for his intervention, although I am afraid it is not for me to intervene on a family feud, if I can put it that way, with the hon. Member for East Lothian. I am well aware that there are traditional courtesies, which should be maintained.

I am glad to hear that there is optimism in the constituency of the hon. Member for Inverclyde (Ronnie Cowan). I had the pleasure of visiting Greenock—I do believe that I gave him due notice of that—particularly to look at the new ocean liner terminal, which I hope will bring increased tourist footfall to his part of the world.

It is clear that the UK Government recognise and will show our support for the future of shipbuilding in Scotland through all the means that we have available—namely, in the form of military spending and support.

Let me turn to the points raised by the hon. Member for East Lothian. I am well aware of the challenges of providing reliable ferry services, particularly to the rural and island communities in Scotland, but when the UK Government have received various representations on the lack of suitable ferries in Scotland, we have been firmly told by the Scottish Government that this is a process for them and not for us.

Kenny MacAskill: Does the Minister accept that procurement, liquidation and administration are aspects of company law that are reserved to Westminster? On that basis, is he prepared to meet me to discuss the concerns that I and many others—not simply in Inverclyde, but in Scotland—have about the process that has taken place? The responsibility for ordering the services and

the payment for the ships might be Scotland's, but, as I mentioned with regard to the Institute of Chartered Accountants in England and Wales, the law under which procurement and administration is carried out is reserved to Westminster.

Iain Stewart: Indeed, the framing of company law is a reserved matter. I would need to take advice from officials, if the hon. Gentleman will allow me, as to whether a breach of that law was a reserved matter or, as I suspect, more a devolved one.

Douglas Ross (Moray) (Con): We have been discussing reserved issues and devolved issues tonight. That is something that pupils at Logie Primary School will be looking at this week through UK Parliament Week. Will the Minister congratulate the young people at Logie Primary School, and the staff, on their interest in UK Parliament Week? I will be seeing them on Friday and I am sure one of the questions I might get asked is, "How do you get a mention of Logie Primary School in UK Parliament Week into an Adjournment debate about shipbuilding?"

Iain Stewart: I am happy to say that my hon. Friend has given them a masterclass in how to do that. Referring back to the subject of this debate, I very much hope that

among the pupils at Logie Primary School we will see future mariners, shipbuilders, engineers and technicians. I wish them all very well in their future endeavours.

I was surprised to see that the procurement of these new ferries to Islay did not include Ferguson Marine in the tendering process. The delays of the two ships currently under construction may well have played a part in that, but again, it is not for me to comment at this stage. It is very disappointing, given the maritime history on the Clyde in Scotland, and its shipbuilding history more generally, that these ships could not be included and are being lost to overseas orders. But, as I say, these are matters primarily for the Scottish Government to answer, and the hon. Member for East Lothian should pose them to his former colleagues in Holyrood and the Scottish Government. From the UK Government's perspective, we are investing in the future of Scottish shipbuilding. That demonstrates the strength of our Union, and I hope to see many more ships built on the Clyde.

Question put and agreed to.

8.1 pm

House adjourned.

Westminster Hall

Tuesday 2 November 2021

[DAME ANGELA EAGLE *in the Chair*]

Kurdish Political Representation and Equality in Turkey

9.30 am

Dame Angela Eagle (in the Chair): Before we begin, in line with updated guidance issued this morning, I point out that Members are expected to wear face coverings. Current Government guidance is that face coverings should be worn where there is a greater risk of transmission, which is now considered to be the case across the parliamentary estate. Everyone should maintain social distancing as far as possible on the estate, including in Committee proceedings where it is possible to do so without disrupting the conduct of business. The House of Commons Commission has now been advised that the risk of transmission in Committee meetings appears to be greater.

I remind Members that they are asked by the House to have a covid lateral flow test twice a week if coming on to the parliamentary estate. This can be done either at the testing centre in the House or at home. Please also give each other and members of staff space when seated and when entering and leaving the room.

9.31 am

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): I beg to move,

That this House has considered Kurdish political representation and equality in Turkey.

Thank you, Dame Angela. I thank the Backbench Business Committee for granting this debate, the title of which mirrors exactly that of the report of the all-party parliamentary group for Kurdistan in Turkey and Syria, which I chair. There are a number of members of the APPG here today. I look forward to discussing the report and to receiving some concrete responses from the Minister to the questions that the APPG has provided. I have sent most, if not all, of my questions to the Minister's team in advance, because I recognise that this is not the Minister's area. I hope that we will receive some concrete replies to those questions, and that other questions may be responded to through correspondence.

I will start by quickly giving some background about why the APPG settled on this topic, before I move on to the substantive issue. When I was elected in 2017, I was asked to go on a parliamentary mission to north-east Syria to meet our allies, the Kurds, and to see the state that they were building. I was the first British parliamentarian to visit Syria since the start of the civil war in 2011. I went back a year later with the hon. Members for Reigate (Crispin Blunt) and for Gravesham (Adam Holloway) to see the activities there. We found that, out of the ashes of a brutal civil war and then a conflict with ISIS, the Kurdish people and the people of the surrounding areas had built a democratic, feminist, multi-ethnic, secular confederalist society that aspired to educate its people. It was pro-LGBT rights and

pro-disabled people's rights. The Kurds were not only fighting ISIS with guns but fighting the ideology at its very core—standing against ISIS's ideas.

Is everything perfect in north-east Syria? No. In conflict, people have to do difficult things. We must ally with those who have the best intentions and motives. We have seen in other conflicts that if we fund our enemy's enemy, just for the sake of it, we sometimes get an even worse outcome. In the Kurds in Syria, we have not just a military ally but an alliance of minds and a modern, democratic, secular idealism.

After my two trips to Syria, we produced reports and had debates in Parliament. However, as hon. Members will know, geopolitics cannot be isolated to one country. The middle east is a tapestry of cultures, languages and identities, but years ago colonial powers divided the region, as they did much of the world, into modern nation states without a proper regard for all the people who lived there. The Kurdish people are one of the largest ethnic groups in the world without a homeland. Geographically, they are split between Iran, Iraq, Syria and Turkey. They have different challenges in each of those countries, and the scale of oppression has varied throughout history. We all know, of course, that Saddam Hussein murdered over 100,000 Kurds in Iraq in the 1990s, one of the darkest chapters of Kurdish history. However, today Kurds in Iraq have a relatively stable, successful regional Government, with autonomy from the Iraqi central Government, although that is not also without its challenges.

What I saw in Syria, however, was that, alongside the existential threat of Assad, Turkey had ended up taking a hostile approach to the Kurds in north-east Syria and at times was even resorting to pushing and helping jihadis along that border. To understand the motivations of Turkey—a supposed ally of ours—and why it was so hostile to a group of people who had helped to bring down ISIS, the APPG decided that it was important to return our focus to Turkey. Following a number of reports by previous Select Committees on Foreign Affairs and a parliamentary delegation observing political trials of Kurds in Turkey four years ago, it was felt that it was time to bring the focus back to the internal politics of Turkey and to see what had happened in the intervening period.

We therefore launched the inquiry almost a year ago, on 9 November 2020, and the terms of reference agreed were to ask the following questions. What are the main obstacles to Kurdish representation in Turkey? What are the relevant gender aspects to the crisis of Kurdish representation? What relationships do the Turkish Government hold with the Kurdish diaspora communities? To what extent can the UK Government influence policy on these issues, and what are the best means of support for consolidating democracy in Turkey, promoting peaceful co-existence and harmony in the region?

Those terms of reference were translated into Turkish and Kurdish, distributed widely in the UK and Turkey, and as chair of the APPG I and a number of others did interviews on Kurdish and Turkish television stations to promote the inquiry. We wrote directly to the ambassador to get his input. Although his response was short, I appreciate that he responded to our request.

As well as a call for written evidence, we held a number of oral sessions, which were roughly themed into the following categories: political representation,

[Lloyd Russell-Moyle]

civil society, press, gender issues and, finally, the issue of the PKK, the currently banned Kurdistan Workers Party, which is the militant arm of the Kurdish struggle. Those are the themes around which I will structure today's discussion, and they are also the themes on which our report, which Members will have received electronically, was structured.

The first session focused on elected officials, with MPs sitting in the Turkish Parliament giving evidence to us. One was from the HDP, the People's Democratic Party, the majority Kurdish and progressive political party, and the other was from the CHP, the Republican People's Party, the main opposition party in Turkey, but widely regarded as modern Turkey's founding party.

I would like to read some of the testimony from the HDP witness. Hışyar told us:

"Over the last three weeks, I received four different, what they call, summary of proceedings"—

most of them were unfounded—which

"demanded to lift my parliamentary immunity so that I can be prosecuted. When my parliamentary mandate ends, all of those summaries will turn into court cases and I will be sentenced, or I will have to leave the country."

There is a great deal of precedent for targeting MPs. In the past six years, the former HDP chairs were arrested for alleged connections to the PKK. Part of the Government's case was that they had used the words "Kurds" and "Kurdistan" in public speeches in 2012. The other citation in the case was that they had been involved in the creation of the PKK. The PKK was created in 1978, when both the co-chairs were five years old. We can clearly see that this does not seem to stand up to fair and due process.

John Spellar (Warley) (Lab): I congratulate my hon. Friend on securing this debate and on his work in keeping a light shining on this sometimes forgotten struggle. Is not the important thing here that the HDP and other groups that may just disagree with the current regime are being denied their democratic rights and are being attacked? While we should have no truck with terrorism, should not NATO, and Britain through NATO, put pressure on the regime, as a member of NATO, to hold to democratic values? After all, that is what NATO was founded on.

Lloyd Russell-Moyle: I totally agree. NATO and the Council of Europe, both of which we and Turkey are members of, need to be holding Turkey to greater account. I also totally agree with my right hon. Friend that we should have no truck with terrorism. But an expansive approach including anyone who just shares the ideals of self-determination is not helpful in the fight against terrorism, because it makes a mockery of the whole system. I will come on to that in the final part of my speech.

In December 2020, the European Court of Human Rights ordered the immediate release of the chairs and other Members of Parliament and a suspension of their trials, saying that they were politically motivated. That ruling is now wilfully ignored by Turkey. In addition, the European Parliament passed, by 590 votes to 16, a motion saying that they should be released.

The testimony is supported by the "World Report 2020", published by Human Rights Watch, which states:

"Cases against HDP politicians provide the starkest evidence that authorities bring criminal prosecution and use detention in bad faith and for political purposes."

The 2020 Parliamentary Assembly of the Council of Europe resolution dealt with the political crackdown on political opposition, highlighting how immunity for politicians had been stripped away from 2016 onwards.

We have debated this issue previously in this place, and I commend my hon. Friend the Member for Enfield North (Feryal Clark) for securing a previous debate about political representation in Turkey and the fate of some of the HDP politicians. It is clear that this is an organised targeting of opposition MPs just for calling for autonomy or self-determination for majority Kurdish areas. Previously it had been an attack on HDP MPs, but recently and worryingly it has been extended to CHP Members of Parliament. The CHP is no Kurdish-flag-waving party. Many Kurds will say that the CHP is part of a state that helped to lay some of the foundations of difficulties. But many CHP members now choose to speak out on the moral and correct thing, which is the ability of people to partake in democratic life. And the idea of supporting Kurdish autonomy and self-determination seems to be all that is now required to trigger an accusation of terrorism or subversion. That is a dangerous precedent.

We not only heard from MPs in Turkey; we also took evidence from municipal leaders, one of whom was elected a mayor but is now in exile in Greece. The APPG heard that since the last local elections in 2019, 59 of the 65 elected municipal leaders have been replaced by Government-appointed trustees. A human rights report quoted in our report says:

"Regardless of which party or candidate they voted for, the will of...more than 4 million...voters living within the boundaries of 48 municipalities"

has been

"seized through the appointment of trustees."

Our inquiry also took evidence on the closure of the Democratic Society Congress—the DTK—an organisation bringing together politicians and civil society that advocates not separation but confederalisation in Turkey, and that is its crime. Actions taken have included the arrest of its leaders, as well as the targeting of the Kurdish political youth organisations. One refugee is in my constituency because of the persecution he faced.

On Kurdish political representation, the APPG made nine findings. I will not read them all out, but I will mention a few. We found that trials have been increasingly conducted in closed central courts in Ankara and not the open divisional courts in the home provinces, making a defence harder for a Member of Parliament. The APPG also found that there have been routine cases against 154 MPs—154 MPs have received indictments; this is not just a few people who have done objectionable things—and that the legal proceedings are being used to tackle political disagreements, which in turn disproportionately affects Members of Parliament from Kurdish backgrounds. We also found that the human rights of municipal leaders are violated routinely by detaining them pending trial or sentencing them to prison on trumped-up charges.

Our report was 56 pages in total, with 32 recommendations for the UK Government. We received comments based on the first-hand experience of MPs, mayors, civil society

and women's organisations, and I sent the report to the Minister in July. I received a one-and-a-quarter-page reply, the substantive part of which said:

"We were concerned by recent reports of increased violence in the region and the Minister for the Middle East and North Africa tweeted on 1 September calling for de-escalation."

Is a tweet really the maximum amount of our diplomatic effort? It would be nice to know more about what the Government have been doing. Over hundreds of hours, we collected work on the report and made concrete recommendations. I would like the Government to give some concrete responses.

Will the Minister and the Government demand the release of the HDP co-leaders, in accordance with the decision by the European Court of Human Rights in December 2020? Will she condemn the closure of the DTK and remind the Turkish Government of their previous commitment to find a peaceful solution to the ongoing conflict? Will the Government push the Turkish Government to accept the revised European charter on the participation of young people in local and regional life, which is a Council of Europe charter for young people, so that it applies to young people in Turkey? Finally, what will the Government do to press the Turkish Government to uphold the rule of law and democratic principles in Turkey?

I now turn to the issue of discrimination through language and culture. Having gone through the first section of my speech, I will now try to rattle through the other sections. The inquiry received evidence from the Education and Science Workers' Union in Turkey, which had conducted its own report. It stated that 200,000 children in Diyarbakır alone and 6 million children in south-east Turkey were being denied an education entirely or being forced to learn exclusively in Turkish and not their mother language. This is, of course, a denial of human rights, and it also makes it impossible for children to be helped in their studies by their parents or caregivers, which puts them at an immediate disadvantage as they grow up.

The inquiry also received a report from the Kurdish Language and Culture Network, which suggests that there had been enforced and targeted discrimination against the Kurdish community, particularly where they had expressed their culture in language and other traditional practices. We found that in the last five years 57 Kurdish cultural institutions and organisations had been closed down, including theatres, just for staging plays in the Kurdish language.

Will the Government condemn the Turkish Government's decision to close multiple institutions that uphold Kurdish cultural life? Furthermore, what steps will the Minister take to raise this issue with her Turkish counterparts? Will she discuss the support that the British Council could offer in Kurdish-English work and co-operation?

I turn now to gender-based oppression in Turkey. Historically, Turkey has retained a low representation of women in its Parliament. In 2020 the World Bank calculated that 17% of seats were held by women, which is below the global average of 25%. The HDP operates a co-chair system, whereby a man and a woman co-chair the party and many municipalities. The HDP maintains a quota of 50% female candidates and, I think almost uniquely for any political party in the world, 10% of Members must come from the LGBT+ community.

That means that repression of Kurdish and Kurdish-supporting MPs has ended up disproportionately affecting women and LGBT+ people, because they are disproportionately represented—not disproportionately according to the population, but in the Turkish Parliament.

The practice of having co-chairs has even been cited by the Turkish Government as evidence of links to the PKK, which was the first to use the co-chair system. That is further evidence that the expansive practice of just sharing any similar idea or practice with the PKK will mean that an organisation is branded as terrorists. It is clearly ridiculous.

It is not just the HDP that has been targeted in a gendered way. The Free Women's Congress and 49 other women's organisations were closed down in the state of emergency that was declared in 2016. As a result of that declaration, the bank accounts of many of these women's organisations were closed, making it impossible for them to continue to operate.

In the evidence submitted by the TJA—the Free Women's Movement—the Kurdish women's organisation, it stated that in 2020, 2,520 women reported to non-governmental organisations cases of physical and gendered violence, 775 women applied for shelter, and 113 women reported cases of sexual assault. In the 18 years that the AKP has been in power, femicide in Turkey overall has increased by 1,400%. That is a shocking amount.

Alex Sobel (Leeds North West) (Lab/Co-op): I thank my hon. Friend for securing this debate and making an excellent speech. The issues he is raising are really important, and are ones that the Prime Minister has spoken about in a UK context. However, there is no evidence that the Prime Minister, when he met the President of Turkey at the NATO summit or, more recently, the G20—I do not know whether he had a bilateral at this weekend's G20—discussed any of these issues. The main issues on the agenda seemed to be tourism and vaccines, but nothing about Kurdish rights or the rights of women in Turkey.

Lloyd Russell-Moyle: It is very worrying. During our report, the Turkish Government withdrew from the Istanbul convention—it is slightly ironically named now—which is about the prevention and combating of violence against women and domestic violence. The convention had only come into force in Turkey in 2014, and we are yet to see any strong diplomatic effort from the British Government to really condemn that.

The evidence that the APPG took shows that the situation is becoming dire for women, so may I ask the Minister what support the Government will give to international organisations aiding women in vulnerable situations in Turkey? What steps is she taking to ensure that the UK Government aid is directed to women-led organisations in Turkey, and that that aid reaches majority Kurdish areas? Will her Government call in the strongest terms for Turkey to rejoin the Istanbul convention and fully implement it?

Turning to freedom of the press, the APPG heard from a journalists association, and those who gave evidence said that it becomes harder to work every day with the intimidation that they face. In October 2020, five journalists were arrested for publishing a news article about two tortured civilians from the city of Van. They were flown in a helicopter and then thrown out—one

[Lloyd Russell-Moyle]

of them to their death, the other very seriously injured. The governor of Van said that the people who threw them out were acting for the PKK. That is disputed, but either way, the reporting of the action should not see a journalist arrested. Some of these journalists have now been released, but still have international travel bans imposed against them, and others remain in jail awaiting trial.

There are attacks not just on individual journalists, but on publications and radio stations in Turkey. The APPG received evidence that “following the state of emergency” 62 newspapers, 24 radio stations, 19 magazines and 29 publishing houses had been shut down. In total, 177 media organisations were shut down, and 2,500 journalists were repressed, restricted or out of a job.

According to Amnesty International, one third of all the world’s jailed journalists are imprisoned in Turkey. That is a disgraceful statistic, so may I ask the Minister: will the Government condemn the measures to restrict freedom of speech implemented in Turkey and remind the Turkish Government that criticism of the Government—criticism of any Government—is a fundamental aspect of the public’s right to participation? What will the Government give to support journalists so that they are able to uphold their freedom of speech?

Finally, I will turn to the PKK, but before I do, please may I ask this? I know that in much of the correspondence Ministers are focused on the PKK element, but the other elements are really important for me and I really want a strong focus on them. That was one of the reasons why I was initially nervous about raising the PKK issue at all. I thought that maybe we should just ignore it. The problem is that, as we heard evidence, it became clearer and clearer that we cannot delink these issues, because of the Turkish Government’s expansive view of what supporting the PKK is. As I have mentioned, journalists, politicians and other civil society actors are routinely accused of terrorism if they support the wider beliefs of the PKK.

Without getting into a debate on the nature of terrorism, it is clear that terrorism that has the aim of national sovereignty is a slightly different beast from terrorism that aims to impose fundamentalist ideology on a reluctant people, but the age-old debate about whether someone is a terrorist or a freedom fighter has been had over decades in this place. However, there is a set of international definitions of what it means to be a terrorist and the legal consequences of acting in a terrorist manner. Those that do so should be prosecuted and proscribed, but the UK Government already make a distinction for Turkey. They recognise that the YPJ and YPG—the Kurdish units in the Syrian defence forces—are not terrorists but are anti-terrorist in their nature. Although the Government call on them to distance themselves from the PKK, they recognise that, in reality, many of their views, and some of their activities and training, are shared. That has been recognised in the British courts, and the Government have rightly diverged from the Turkish Government, who still regard the YPG and YPJ as terrorist organisations. The Turkish Government are so obsessed with the YPG and YPJ but they have supported jihadis who are often proscribed in the UK.

I have mentioned the Turkish Government’s expansive definition of terrorism: anyone who supports Kurdish political leaders or even just gender equality. It becomes

an extremely slippery slope. Therefore, will the Minister make it clear that supporting Kurdish aspirations for some form of autonomy, supporting Kurdish political leaders, or even supporting those who have renounced violence and who call for dialogue should never be a reason for someone to be fearful of an accusation of terrorism? I do not ask the Minister that for an academic purpose; I do it because recent cases in Belgium, and potential cases in other European countries, show that the Turkish Government are increasingly and proactively trying to persuade their so-called NATO allies to prosecute those who support the Kurds. That is producing a chilling effect in Kurdish communities in this country and around Europe. Any listing must be based on evidence of indiscriminate violence, a determination to undermine and destroy democracy, and an intolerance of other people’s views.

The second line of defence in the Belgian court case, where the Supreme Court failed to convict the defendants for running a Kurdish newspaper and radio station, was that they were simply not terrorist acts, and that the listing of the PKK was based on information that had been discredited. I have a list here but will not go through it, because I know my time should have been up already. Here is the list of the pieces of evidence that were given to the European Union in the listing of the PKK. One can go through each one of them and show that they are not acts of the PKK. A number of them have been acts of the Turkish police force or Turkish army, and Turkish courts have prosecuted Turkish authorities for such acts, but they are still listed as PKK acts, even though Turkey and its courts recognise that they are not. There needs to be a review of this situation, as the Turkish courts have shown.

More interestingly, the Belgian court case and the APPG heard from the lead defence lawyer. The court upheld their defence on the first point: that the PKK are a national movement of self-determination in a legal civil war. The treaties on definitions of terrorism that Belgium has signed up to are the same treaties as Britain has signed up to. All bar one explicitly say that if civil war actors are covered by the laws of war, they cannot be regarded as terrorists, and the one that does not mention that is just silent about all definitions. That is of course quite right; it is to stop anyone just labelling their opponents as terrorists when there is a legitimate internal conflict taking place. Under the Geneva and Hague conventions, the laws of war outline the requirements to be classed as an actor. One of the things is a command structure, and another might be an identifiable uniform. Suffice it to say that the Belgian Supreme Court found on all counts that the PKK fulfilled those requirements. Therefore, it could not be classed as a terrorist organisation. In finding that the PKK was involved in a belligerent and internal conflict, the court struck down the terrorist listing.

The same process also happened in the European Court of Justice, where a Europe-wide listing was struck down, and the justices found that the PKK had not met the European or international listing definitions. Although we are not a member of the European Union, the laws of war that interpret treaties are now directly part of our domestic laws and we are signatories to the international treaties that they interpret.

A quirk of terrorism law is that organisations are proscribed at the European and international level annually, so although they have been struck down from previous

listings they are currently listed, and the courts are now going through a process of striking down their current listings, adding them again after the case, but of course no new evidence has been provided as to why they should be re-listed. That makes a mockery of the proscribing process, with people being arrested and prosecuted for being part of a proscribed organisation, only to find midway through their trial that the organisation is no longer proscribed.

The British Government need to re-look at the case for the proscription of the PKK and take into account the latest evidence from the Turkish courts and the terrorist acts that were not committed by the PKK but by others. The Belgian and European courts have said that they should be classed as internal belligerents, not terrorists.

A strong fight against terrorism can be achieved only if the listings that the Government maintain are accurate and not liable to change. Will the Minister commit to conducting an immediate review with her Home Office counterparts and report back to this House? To those who say that designating the PKK as a belligerent might give credence to those that target civilians, I say that the crime of targeting civilians in war under the Geneva and Hague conventions is a more serious crime with a higher prosecutable level in international courts and a higher punishment than the crime of terrorism, so de-listing and classing them as belligerents provides less incentive for civilian attacks.

If we are to seek peace in Turkey, we must see how organisations can go from being classed as terrorist to seeking political solutions through political aims. The UK's role in Colombia, although not perfect, and incomplete, shows how the FARC could be brought into a mainstream political discussion. If we look at our history in Northern Ireland and the African National Congress in South Africa, each is different and unique, but each had a process that has ended politically and not violently, and that is what we all want to see in Turkey.

Finally, what serious discussions have the Government had with Turkey about restarting the peace negotiations? What practical support have the Government given for domestic and international channels for the discussions? What role do the Government see in third pillar negotiations between civil society actors, trade unions and women's organisations to ensure a peaceful settlement of the conflict? Although the death toll might not be large, the APPG found that political representation was high and increasing. It found that the basic principles of democratic freedom were being undermined, and terrorism laws were being misused to shut democratic spaces rather than keep them open. The APPG and I are sure that Members here today would like to work co-operatively with the Government. I hope that we might be able to get fuller responses to the APPG in time.

Dame Angela Eagle (in the Chair): I intend to call Front-Bench speakers from 10.28 am, so anyone who wishes to contribute should please bear that in mind.

10.3 am

Kim Johnson (Liverpool, Riverside) (Lab): It is a pleasure to serve under your chairship, Dame Angela. I thank my hon. Friend the Member for Brighton,

Kemptown (Lloyd Russell-Moyle) for securing this important debate, and I welcome the APPG report on Kurdish political representation and democracy in Turkey. I want to start by sending my solidarity to the Kurdish people, who have shown such strength and resilience in their resistance and struggle for liberation, autonomy and democracy.

The recent escalation of human rights abuses and anti-democratic manoeuvring by the Turkish Government against Kurdish communities and elected representatives is highly concerning. Hundreds of Kurdish activists, journalists, MPs and mayors have been arrested by the Turkish Government. Turkey's increasingly oppressive regime has jailed more journalists than any other country in the world. More than a third of journalists jailed globally are held in Turkey. Arbitrary detentions, torture and abuse against journalists have become an everyday practice in Turkey, and press freedom is virtually non-existent, with media ownership concentrated in the hands of Erdoğan and his supporters. A Media Monitoring report last year showed that one in six journalists in Turkey have an ongoing case against them. Only six of 65 democratically elected HDP mayors remain in office. There have been high-profile arrests, such as that of Leyla Güven, who was sentenced a year ago to 22 years on terror charges, and this summer had her visitation and telephone privileges revoked for singing Kurdish songs in prison.

The fact that Abdullah Öcalan is still imprisoned on Imrali island, without fundamental rights being met, is nothing short of an outrage. The escalation by Erdoğan and the Turkish state, particularly since the attempted coup in 2016, with the arrests of hundreds of activists, journalists, mayors and MPs, is morally contemptible and undermines any attempts to broker a just and sustainable peace process.

Britain has a powerful role in holding Turkey to account on human rights and its violation of international law and the European convention on human rights. We must be bold in our demands to put an end to these injustices, to protect political representation and inalienable human rights and to ensure peace and stability for all communities living in Turkey.

I want to focus in particular on the report's recommendations to revisit the automatic listing of the PKK as a terrorist organisation, especially considering the outcome of the case in the Belgian Supreme Court, which found that the PKK was a legitimate combatant in a civil war, rather than a terror organisation. That historic ruling must have significant ramifications for our Government's position. I call on the Government to take up the report's recommendations to review the listing of the PKK as a terror organisation in the light of that evidence. Britain has a significant amount of power to progress the conditions for a return to peace talks, both as a unilateral actor and through European institutions.

I am proud that the UK Labour movement stands resolutely with the Kurdish people. I welcome the work by the all-party parliamentary group for Kurdistan in Turkey and Syria on the report, which contains a number of important recommendations. I call on the Government to do everything in their power to adopt the recommendations, hold Turkey to account as our ally and take urgent steps to secure progress towards resuming peace talks.

10.7 am

Feryal Clark (Enfield North) (Lab): I thank my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle) for securing this important debate. I will focus my comments on the role of the Turkish Government towards the Kurdish community.

Sadly, the issue of representation and equality for Kurds in Turkey is not new. The systemic abuse of the Kurdish community has continued unchecked for far too long. My parents were forced to flee Turkey in the 1980s, due to the systemic abuse faced by the Kurdish community. When I was growing up it was illegal to learn or speak Kurdish. That was changed in early 2000, as Turkey was going through accession discussions with the European Union, but the Government still use various spurious means to prevent the Kurdish community from being able to speak or learn Kurdish.

It is a shameful mark of the lack of progress that Kurds have continued to feel the need to leave their homes, and that the attitude of President Erdoğan's regime shows no sign of changing. The discriminatory attitude of the Turkish Government is entrenched by President Erdoğan's persistent interference in the courts, creating a judicial system that has become institutionally prejudiced against Kurds and other minorities in Turkey.

That executive interference in the judiciary has been reflected in the systemic practice of detaining, prosecuting and convicting on bogus charges individuals that the Erdoğan Government regard as critics or political opponents. Terrorism charges continue to be widely misused to restrict the rights to free expression and association. Defence lawyers in such cases have faced arrest and prosecution on the same charges as their clients. Among those targeted, as has been said, are journalists, Opposition politicians and activists, in particular members of the pro-Kurdish People's Democratic party, the HDP.

Selahattin Demirtaş, the former co-chair of the HDP, has been held in prison in Turkey since 2016 and the European Court of Human Rights has called for his immediate release, but no action has been taken by the Turkish Government. Further, I remain deeply concerned about the rise in allegations of torture, as well as cruel and inhumane treatment, especially of female detainees in police and military custody and prison over the past four years. Prosecutors do not conduct meaningful investigations into such allegations and there is a pervasive culture of impunity among members of the security forces and the political officials implicated.

Erdoğan's regime refuses to distinguish between the PKK and the democratically elected HDP, which won 11.7% of the national vote in the 2018 parliamentary elections and 65 local municipalities in the 2019 local elections. Since August 2019 the Interior Ministry has removed 48 elected HDP mayors, on the basis that they face criminal investigation and prosecutions for links to the PKK. Repeating the approach taken in 2016-17, the Government have replaced mayors in the south-east with Ankara-appointed provincial governors and deputy governors as trustees.

In sharp contrast, the HDP's pluralist and inclusive platform has resulted in its popularity among diverse groups in Turkey. The inclusion of minority groups, including Kurds, as well as Alevis, Armenians, the LGBT community, women's rights organisations, secularists

and other ethnic minorities such as Yazidis and Assyrians, has been key to expanding the HDP's appeal. The success of the parties pursuing that agenda shows that there is real appetite on the ground in Turkey for a movement away from the regressive attitude pursued by Erdoğan's regime.

While movement towards those positions by parties such as the HDP is crucial, it is key that, in addition to efforts made from within Turkey, the international community also uses its influence to support people on the ground. I welcome the work of the European Court of Human Rights and the Office of the High Commissioner for Human Rights in recent years to highlight the persistent erosion of Kurdish rights in Turkey, and call on the UK Government, alongside international partners, to continue to put pressure on their Turkish counterparts. I am sure the Minister will set out the UK Government's fantastic relationship with Turkey and the significant role that Turkey plays within NATO—it has been repeated before.

However, I have asked before and I ask again: as allies, surely we should be calling on Turkey to stop the abuse and persecution of Kurds and Kurdish politicians. If we cannot ask our friends to stop this, how do we deal with the less friendly nations? How much longer will the UK Government stand by and let this disregard for human rights continue? The rights of Kurds and other minorities in Turkey have been at best ignored and at worst abused, for far too long. It is time for change. I urge the Minister to take note of the 32 recommendations set out in the APPG's report and call on Turkey to stop the persecution of Kurds and come to the table to negotiate for a peaceful solution to the Kurdish question.

10.13 am

Crispin Blunt (Reigate) (Con): It is a pleasure to serve under your chairmanship, Dame Angela, and to follow the comprehensive introduction to the all-party group's report from its chair, the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle), with whom I enjoyed—and “enjoy” is the right word—an interesting visit to north-east Syria, seeing the Kurdish statelet there at the time. It is incredibly instructive to be on the ground and to see the effects of the attempt to put a new philosophy—the Öcalan philosophy—into action in the most difficult and challenging of circumstances.

I do not intend to speak for long, Dame Angela, because it is important to hear from the Minister. If we really wanted to torture the Minister, the rest of us here would give her longer to respond on the exquisite issue of British-Turkish relations and exactly what balances the United Kingdom needs to strike, which are matters of enormous difficulty. She will probably get just her 10 minutes and will not have to twist on the spit of having to represent her colleague, the Under-Secretary of State for Foreign, Commonwealth and Development Affairs, my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton), within whose brief this issue formally sits. I do recognise her difficulties.

We are at the stage of trying to establish the values of global Britain. What does this nation stand for now we have left the European Union? It is a moment to define the values we will stand up for. That is why we ought to carefully review relations with Turkey and examine what message we will send, so we do not get ourselves

into a place where we are too contradicted in what we are trying to say and in the differentiation of the messages we are trying to send.

Plainly, the relationship with Turkey is critical and central for the United Kingdom going forward, as we are both major powers on the periphery of Europe. However, we cannot ignore the fact that that nation has locked up more journalists than any other nation, nor its conduct and policy towards the Kurdish minority. That was examined to a degree in the report by the Foreign Affairs Committee when I was Chair, it has been looked at again in the report by the all-party parliamentary group for Kurdistan in Turkey and Syria, and it was the subject of a letter to the Foreign Secretary that I co-wrote with the right hon. Member for Leeds Central (Hilary Benn), which was signed by 64 colleagues. That letter raised our concerns about Turkey's conduct in respect of human and political rights—an area where I do not believe Turkey to be acting in her own interest.

The Foreign Affairs Committee report that was published in 2017 identified that as a central challenge for the President of Turkey. In what direction was he going to take Turkey? He had an opportunity then, and he has an opportunity now with Abdullah Öcalan as his prisoner, who has ceased to have any aspirations for Kurdish independence. If one looks at the Kurdish minorities in the other main countries where they appear—Syria, Iraq and Iran—it is plain that any aspiration for a greater Kurdistan is, frankly, for the birds at the minute. It is not even an aspiration that is front and centre of most Kurdish discussions. The referendum in Iraq was a total disaster for the Kurds and now seems a profound mistake. Even the Kurdish Syrians we went to see in north-east Syria had to take Syrian protection, in effect, in the face of the threat that came from Turkey in the north.

I look forward to the reply from my right hon. Friend the Minister and to hearing if some of the balances expressed by her predecessors, in answer to such debates, have begun to shift and if we are now beginning to say something more robust about what global Britain stands for, or if we cannot say anything about our relationship with Turkey and the pretty dreadful things going on in regard to the values we ought to share with the Turkish Government, who have plainly gone very badly wrong and are not seeking the opportunity to find a route to peace in the PKK-inspired civil war.

I concur with the points that have been expressed about closely questioning the PKK's terrorist designation. It is designated a terrorist organisation because Turkey has asked us to do that. Frankly, that is not adequate and needs proper examination, if possible in our courts, to see if they would come to the same conclusion as the courts of Belgium. I look forward to the Minister's contribution to see if matters are now moving in a more satisfactory direction in respect of the values we seek to stand for.

10.19 am

Alyn Smith (Stirling) (SNP): It is a great pleasure to follow such a thoughtful contribution from the hon. Member for Reigate (Crispin Blunt), and I associate myself with his questions. I also warmly praise the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) for an excellent report and contribution to this debate.

I am very pleased to see so much consensus across the Chamber on this really important issue. I give the apologies of my great colleague, my hon. Friend the Member for Glasgow South West (Chris Stephens), who has been detained on other business, but who is also an active member of the all-party parliamentary group on the Kurdistan region in Iraq and is deeply concerned with Kurdish affairs. His colleague, Roza Salih, is a representative of the Kurdish community in Scotland, and has been very active on these issues.

I was struck by the point about global Britain needing to work out what it stands for. I am in the fortunate position that I know very well what the SNP stands for: we are a democratic party; we believe in the rule of law and democracy; we support the right to self-determination; and maybe we are more relaxed about constitutional change than other parties—if we look at the broad sweep of history, constitutional change happens. As long as that constitutional change is done democratically and peacefully, with the full engagement of the communities within those territories, it is not something to be feared. We believe that the people choose their Governments, and that the people should define their states. We also deal with the world as it is. Repression of those demands can only lead to a bad place. This is what we see in the middle east. Everything is an accident of empire: if we look at the lines on the map across the entire middle east, it was somebody's empire and somebody's mistake that led to this.

To my mind, the lack of an independent Kurdistan is also an accident of history. The fact that the Kurdish people are spread across Turkey, Syria, Iraq and Iran leads to a very unstable situation. As President Barzani of the Kurdistan Regional Government said when I last met him in Irbil, it is a tough neighbourhood. As outsiders who are friendly to all parties within the region, it is incumbent on us to look at the widest perspective possible and to stick to values rather than interests of the state, which may change over time.

Regarding Turkey in particular, we have to be blunt. Turkey is an important ally, but the actions of the Turkish state vis-à-vis the Kurds fall well below the standards we should expect of a Council of Europe member, a NATO ally and a friend of Scotland and the United Kingdom. A state can be judged by the way that it treats minorities. As I have said, Turkey is an important ally and a member of NATO; it deserves great praise for the safe haven that it has given to millions of refugees from the conflict in Syria and Iraq, with European and UK support. It is an ancient culture and a wonderful place to visit. It is a fantastic place that is currently being governed badly. It is also illegally occupying part of an EU member state in Cyprus. It is increasingly autocratic; it jails journalists. As we have heard, a third of the journalists jailed worldwide are in Turkey. In its treatment of the Kurds, it has embarked on a decades long campaign of oppression.

Closing down democratic dialogue can never work. Closing down democratic dialogue with aspirations of self-determination can only lead to a bad place. In March this year, as we have heard, the Turkish state banned the People's Democratic party, the HDP. I remember expressing concern in the European Parliament in 2009, when the Democratic Society party—the HDP's predecessor—was similarly shut down. This is a long-standing campaign from the Turkish state to shut down the legitimate aspirations of the Kurdish people, and to

[Alyn Smith]

shut down debate. This is a deliberate pattern. The most recent ruling banned 600 HDP party members from participating in politics for five years, and the HDP co-chairs, Selahattin Demirtaş and Figen Yüksekdağ, have been jailed. I was lucky enough to meet Ms Yüksekdağ in Edinburgh a few years ago; the idea that she is involved in terrorism is, flatly, risible. She is a political prisoner.

I am conscious that the Minister is sitting in for other Ministers, and I am also realistic about the leverage that the UK has over the Turkish state—that needs to be said. I feel for the Minister and view her as a colleague in this discussion. However, I do have some questions. I would be grateful for an update on what the UK Government have done to press for the release of political prisoners, like the two HDP co-chairs, but there are plenty of others. On arms export licences, the UK has sent £212 million-worth of materiel to Turkey. What human rights assessment has been made of those arms exports, and what reassurance can we hear that those arms have not been used in the oppression of the Kurdish people? I am happy to have the answer in writing, if not today.

More widely, and this is an honest offer as much as it is a question, what efforts have been made by the UK Government to promote dialogue between the Kurds and the Turkish state? I would say that Scotland offers a model, in that we have a devolved system of government within these islands. Obviously, Scotland's history is completely different from that of the Kurds. We were an independent state for far longer than we have been part of Great Britain. We have a different political culture here and in Scotland. However, there is a need for an honest outside broker in this discussion. There is a need for outside scrutiny. This is not just an internal matter for the Turks to rule on for themselves.

If the Minister is looking for resources, we have plenty in Scotland. We have excellent NGOs, like Beyond Borders Scotland, that are well used to facilitating dialogue and have previously been active in Kurdistan. We have a civil society and a political culture that would be ready and quick to help.

Speaking frankly, there is always a degree of hypocrisy in international relations. The question for the UK Government is: are we on the right side of the line? We must be much more vocal about the deficiencies of the Turkish state, the oppression of the Kurdish people and the right of the Kurdish people to more international support than they have had. If the Minister agrees, she will have the total support of the SNP.

10.26 am

Catherine West (Hornsey and Wood Green) (Lab): I am pleased to speak in this debate under your chairship, Dame Angela. Like everyone else in the Chamber, I look forward to hearing the Minister's response. I also put on record my thanks for the moving speech from my hon. Friend the Member for Enfield North (Feryal Clark), who is of course the first Turkish woman to be elected to the House of Commons. The fact that she grew up in Turkey as a Kurd adds a special poignancy to today's discussion.

I also put on record my thanks to my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle). The topic of today's debate is his expertise—his special

subject. He is a continuing and passionate campaigner for the Kurdish people. The rights of minority groups across the globe are not debated in this House often enough, but it was due to the diligence of his inquiry and the hard work of all the members of the all-party group that he gave such a detailed speech on the findings of his report. It was excellent.

The debate today could not come at a better time. Only yesterday, I received a copy of a letter sent to the Foreign Secretary by the UK Civil Society Women's Alliance international working group, which outlines their serious concerns about the ongoing pattern of detention and the unfair trials of activists, particularly those from the Kurdish minority, and includes specific examples of those who have been detained.

We know from the contribution of my hon. Friend the Member for Leeds North West (Alex Sobel) about the 1,400% increase in femicide in Turkey, on which the report of the APPG chaired by my hon. Friend the Member for Brighton, Kemptown commented. That level of abuse against women must be taken seriously. I am very keen to hear the Minister's thoughts and what action the Government are taking in relation to the Istanbul convention. Dame Angela, you will remember the intense discussions that we had in the House about the convention. In fact, it was the subject of an Opposition day debate. We all came in and made speeches. Every hon. Member was concerned, of course, that our own Government should ratify the Istanbul convention, but crucially it was women from the region we are discussing who raised this very concern. I hope that we will hear some encouraging news on that point from the Minister.

As we have heard from hon. Members across the Chamber today, this is not a new issue. Many right hon. and hon. Members have asked questions in the House about Kurdish people in Turkey, and specifically about the discrimination and repression that they face and have historically faced, not least in the form of military action and the curtailing of their cultural freedoms. The hon. Member for Reigate (Crispin Blunt) talked about a robust definition of global Britain; that must surely include an answer to the question of what our role is. Personally, I found it a little troubling that, following the Brexit vote, the first excursion that the right hon. Member for Maidenhead (Mrs May), the then Prime Minister, made was to Turkey to shake hands with the President and to sell more weapons.

As the SNP spokesperson, the hon. Member for Stirling (Alyn Smith), said, we need assurances that our own manufactured weapons are not being used for internal repression. I know that that is an element of the way that our procedures work, and that my hon. Friend the Member for Brighton, Kemptown has expertise in this area. However, we seek assurances that those weapons are not being used for any violence against Kurdish people in Turkey.

Obviously, the Kurdish communities in Turkey are not a single homogeneous bloc. Some Kurds have even served as senior Government Ministers in the AKP Government. That said, the Kurdish minority as a whole, and particularly those who support the Opposition in Turkey, experience appalling levels of discrimination, which have no place in a democratic society. We have heard of the detention and removal of dozens of Kurdish and Kurdish-supporting regional mayors—48 regional mayors have been arrested—and of the removal of

154 lawmakers in Ankara. Imagine if 154 MPs were locked up here—imagine the outcry! The political voice of pro-Kurdish political parties is being eroded by the current Government and, with it, the democratic wishes of the Kurdish people are being ignored and attacked.

We heard about Mr Demirtaş, and his ongoing imprisonment, from my hon. Friend the Member for Enfield North. What specific representations has the Minister made to President Erdoğan in relation to Mr Demirtaş, and can we expect his release any time soon? What representations have been made about the abuse of courts by the Executive over what should be a legal matter, rather than something where the Executive are overruling the courts?

The greatest example of the ongoing attack against the Kurdish people is the attempt by Turkish authorities to ban outright the HDP itself. The HDP has been a staunch supporter of Kurdish rights since its formation, and garners much of its support from Kurdish areas. In the years since it was founded, the Government have moved to stifle its progress. Since 2016, it has been estimated that more than 10,000 parliamentarians, elected officials and party members have been imprisoned. As we know, the Turkish authorities are attempting to ramp up the pressure and choke off the HDP, through shuttering it and denying representation to the millions who have freely cast their votes for that party. Such a move, against a political party that has been supported by many Kurds, is an affront to democracy.

I heard at first hand from HDP lawmakers earlier this year about their concerns for their position, and for Turkey's democracy more generally. The attack on Kurdish rights, the rule of law and the fundamental freedoms of democracy is deeply concerning. We heard about the freedom of the press from my hon. Friend the Member for Liverpool, Riverside (Kim Johnson), and in a very good speech from my hon. Friend the Member for Brighton, Kemptown, which went into the detail at length, so I will not repeat that now.

We urgently need the UK Government to take a more active role. We heard from my right hon. Friend the Member for Warley (John Spellar) that, as Turkey is a major NATO ally and a friend of the UK, we cannot and should not sit by and allow this to happen. We should feel able to criticise our friends and allies when they are doing wrong and praise them when they are doing right—for example, on the refugee crisis, in which Turkey is making an enormous contribution, not just in numbers, but in education and health services. That is not lost on those of us who see that good work. However, equally, if we are friends and allies, we must be able to say when we are worried, and the treatment of the Kurdish minority worries us deeply.

In her summing up, I hope that the Minister will outline her response, or the Department's assessment of the legal case in Belgium, because it would be good to have on the record in *Hansard* the FCDO's assessment of the Belgian court finding that the PKK was not a terrorist organisation. My understanding is that the UK's position is still that elements of the PKK are terrorists, but I would like to know whether officers within the FCDO have looked at the legalities of the Belgian case. The UK signs up to the same treaties as Belgium, and we have the same norms and values, so could she please outline where the Belgians might be taking a different view from any UK legal counsel?

Finally, I will conclude by thanking all Members for being here for today's debate. Thank you, Dame Angela, for your excellent chairing of the debate, and I very much look forward to hearing from the Minister. Given that there is so much time left in the debate, I hope that she will accept some short interventions.

10.34 am

The Minister for Asia (Amanda Milling): It is a pleasure to serve under your chairmanship, Dame Angela. I congratulate the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) on securing this debate through the Backbench Business Committee, and thank him and other hon. Members for their contributions today.

I know that the Under-Secretary of State for Foreign, Commonwealth and Development Affairs, my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton), would have been delighted to respond today, but she is in Glasgow attending COP26. As such, Members will understand that this is not my brief, although it is my pleasure to respond on her behalf. I will do my best to cover as many of the points raised by the hon. Member for Brighton, Kemptown as possible—I am grateful to have had early sight of some of the questions—as well as other comments made during the course of the debate. I am more than happy to ensure that the Minister responds after today's debate, and I am sure that we can arrange follow-up conversations.

I am aware of the correspondence between the Minister and the hon. Member for Brighton, Kemptown relating to the APPG report. We are grateful for the work that the APPG has done to create this report. The Government take these matters very seriously, as with all matters relating to democracy, security and human rights, and although the APPG report is wide-reaching, today we are focusing on Turkey.

Crispin Blunt: I wanted to follow up on one question. The final recommendation of the Foreign Affairs Committee in its 2017 report *The UK's Relations with Turkey*, paragraph 179, is that:

“We recommend that the FCO designate Turkey as a Human Rights Priority Country in its next Human Rights and Democracy Report.”

Matters have hardly improved over the past four years. What consideration is now being given to so designate Turkey?

Amanda Milling: I am grateful to my hon. Friend for his intervention. I would like to mark and commend his work as Chair of the Foreign Affairs Committee. Everyone thought very highly of him in terms of his chairmanship, and now his ability to pull out a report today. I will talk about our relationship with Turkey and a number of the issues that have been raised, including my hon. Friend's own contribution and our role as global Britain. As NATO allies and G20 economies, the UK and Turkey continue to work closely together. We have seen Turkey's participation in the G20 and COP26 over the weekend as testament to this.

Turkey sits on the frontline of some of the most difficult challenges we face, and our shared interests cover security, defence, trade, the covid pandemic and climate change, which is very topical this week. Turkey hosts more refugees than any other country, including around 3.6 million Syrians, at a considerable cost and

[Amanda Milling]

more than many other countries. We also have a shared interest in pursuing regional stability with Turkey, including in Syria, Iraq, Afghanistan, and the eastern Mediterranean.

It is worth saying at the outset that we should not generalise when we talk about the Kurds, in Turkey or elsewhere. There are 15 million to 18 million Kurds in Turkey alone, who form a diverse section of society with different political affiliations and outlooks. I note the concerns expressed in this debate about political representation in Turkey, specifically the pressure on Turkey's third largest party, the People's Democratic Party, or HDP. The party's supporters tend to be drawn from the Kurdish community.

We note, as does the APPG report, that a number of MPs and officials from the HDP have been arrested for alleged links with the proscribed terrorist organisation the Kurdistan Workers' Party, the PKK. A number of colleagues mentioned the PKK. We are closely monitoring the progress of the case to close down the HDP for terrorist links, which the Turkish chief public prosecutor is pursuing through the Turkish constitutional court. We also know that the Turkish Government have replaced elected HDP mayors with Government-appointed officials. It is well known that the UK has proscribed the PKK as a terrorist group, as have many of our international partners. We do not share the view of the APPG and some Members today that there are grounds to justify unproscribing the PKK while it continues with terrorist activities. According to the International Crisis Group, the conflict has caused nearly 5,700 deaths since the latest peace process broke down in July 2015. We urge the HDP to distance itself from the PKK and its ongoing terrorist activity.

Lloyd Russell-Moyle: I am keen for the Minister to elaborate here—or in writing, I suspect—what activities she refers to. To some extent, that will also help us to make sure that we negotiate with the PKK to move away from those activities she alleges, and help us to scrutinise them. In the listing in Belgium and in the European Union, almost all the cases that were claimed to be terrorist can be examined and, in fact, they were not the responsibility of the PKK or were the responsibility of other organisations with different proscriptions. That would be really useful for us. Will the Minister do that?

Amanda Milling: I thank the hon. Member for his intervention. We have a clear position on this, but I will ask my hon. Friend the Minister to follow up after today's debate.

More broadly, an active and engaged opposition, and freedom of expression and assembly, are essential to an effective functioning of any democracy. Respect for local-level democracy helps to strengthen national-level democratic traditions. We encourage Turkey to ensure that all its opposition parties are able to conduct their legitimate political business freely, in accordance with Turkish laws, without intimidation and irrespective of which section of society they are drawn from.

The Turkish constitution provides for all Turks to be treated equally, irrespective of ethnicity, gender and sexual orientation, and for freedom of religion or belief. We encourage Turkey to uphold those principles. We regret Turkey's withdrawal from the Istanbul convention

early this year, but we nevertheless continue to encourage Turkey to do its utmost to protect women and girls from violence through strengthening its legislation in that critical area. Turkey has a rich and diverse history, and we encourage it to protect its religious diversity.

Lloyd Russell-Moyle: The Minister said that she regrets this, but could she at least push a bit further on the Istanbul convention to say that our Government call on Turkey to re-sign it? She did not seem to be able to say those words and I think that is deeply disappointing.

Amanda Milling: As I say, we do regret this, but I will come on to some of the actions that the UK Government are taking on a number of the different issues we have discussed today, if I could possibly continue.

As I said, Turkey has a rich and diverse history, and we encourage it to protect its religious diversity. We support freedom of religion or belief for all minority faith groups in Turkey, including the Alevi community, Jews and Christians. We have urged the Turkish authorities to safeguard their welfare and respect their human rights, in line with provisions in the Turkish constitution to protect the rights of all religious minorities. Our missions in Turkey regularly engage with minority religious groups and discuss their concerns.

On our engagement with Turkey, the UK has concerns about the human rights situation in Turkey, which we regularly raise with Turkish authorities. The former Foreign Secretary, my right hon. Friend the Member for Esher and Walton (Dominic Raab), did so during his tenure, as did the Under-Secretary of State for Foreign, Commonwealth and Development Affairs, my hon. Friend the Member for Aldridge-Brownhills, when she visited Turkey in June and during subsequent conversations with her Turkish counterpart.

We have also registered our concern with the Organisation for Security and Co-operation in Europe and the Council of Europe over the large numbers of HDP members who have been detained. Our embassy in Ankara regularly engages with the HDP and other opposition parties. The HDP raises concerns, including the ongoing and lengthy detention without trial of former HDP co-leader, Mr Demirtaş. We will continue to engage with a wide range of legitimate political groups in Turkey, as hon. Members would expect of Her Majesty's Government officials overseas. We are concerned by Turkey's delayed implementation of the European Court of Human Rights judgments on the imprisonment of Mr Demirtaş and Osman Kavala. Turkey is a founding member of the Council of Europe. We expect Turkey, as with all Council members, to adhere to the Court's judgements, which take precedence over national laws, and to implement its decisions. We say that directly to the Turkish Government, and we participate regularly in Council of Europe discussions on both those cases.

We have also discussed with Turkey the development of its judicial reform proposals and its human rights action plan, launched in March. We welcome these discussions and encourage Turkey to implement those fully. Another issue raised by hon. Members is freedom of expression. We have long encouraged Turkey to work towards full protection of those fundamental rights. We will continue to engage with the Turkish Government on those issues and to urge respect for freedom of media. Several specific questions have been

raised by hon. Members, including the SNP and Labour Front Benchers, which I will ask my hon. Friend the Minister to follow up on.

As a friend and ally of Turkey, we will continue to regularly raise human rights concerns and be clear in our expectation that Turkey upholds the important values in Turkish law, which we share. At the same time, it is right that we continue to strengthen our relationship with a vital UK partner.

10.47 am

Lloyd Russell-Moyle: I thank you for chairing the debate, Dame Angela, and I thank my right hon. Friend the Member for Warley (John Spellar), my hon. Friends the Members for Liverpool, Riverside (Kim Johnson), for Enfield North (Feryal Clark), for Leeds North West (Alex Sobel) and for Hornsey and Wood Green (Catherine West), and the hon. Members for Reigate (Crispin Blunt) and for Stirling (Alyn Smith). I forgot to thank in my speech the embassy in Ankara, which has always been supportive; when I have visited the HDP congress, and has always provided the political secretary to visit with me. I have no argument with what the embassy staff are doing on the ground. The issue is the political responses we are giving.

I must say that I am disappointed that we are not able to offer more than concern or regret about Turkey's withdrawal from the Istanbul convention. The Minister used slightly stronger language, which was slightly more welcome, on the European Court of Human Rights' judgment than on the Istanbul convention. I do not understand why we are not able to use stronger language on the Istanbul convention. It is worrying; the withdrawal predominantly affects Kurds, but it actually affects all women in Turkey. I just do not understand that.

I am disappointed that we did not get more concrete answers on the co-ordination of British aid and development in Turkey. I opposed the merger of the Foreign Office and the Department for International Development, but surely the rationale behind the merger was that we could use aid in those diplomatic efforts more effectively. We know that women's organisations are being shut down in Turkey, that Kurdish women's organisations are often deprived of money and that journalists are being locked up. We should put in aid and support to ensure that those organisations are able to work and are not repressed. It would be good if the Department could talk about how it is co-ordinating that work, because Turkey is a recipient of some aid and co-ordinates with the British Council, which the Minister also did not mention.

I understand that the Minister will get back to me on those points. I look forward to receiving those replies.

Question put and agreed to.

Resolved,

That this House has considered Kurdish political representation and equality in Turkey.

10.50 am

Sitting suspended.

Thames in Oxford: Bathing Water Status

10.59 am

Dame Angela Eagle (in the Chair): Before we begin, and in line with updated guidance issued this morning, let me point out that hon. Members are expected to wear face coverings in line with current Government guidance, which is that they should be worn where there is a greater risk of transmission of covid. That is now considered to be the case across the parliamentary estate. Everyone should also maintain distancing, as far as possible, on the estate, including in Committee proceedings where possible. We have been advised that the risk of transmission in Committee meetings appears to be greater. I remind Members that they are also asked by the House to have a covid lateral flow test twice a week, if coming on to the parliamentary estate. That can be done either at the testing centre in the House, or at home.

11 am

Layla Moran (Oxford West and Abingdon) (LD): I beg to move,

That this House has considered bathing water status for the river Thames in Oxford.

It is a pleasure to serve under your chairmanship, Dame Angela. Achieving bathing water status for the stretch of the River Thames in Port Meadow is something that I have long campaigned for. The Minister will be aware, I am sure, of the early-day motion that I tabled last year on this very issue. It called on the Government to work with Thames Water to protect the Thames in Oxford, so that the river could remain clean and enable Oxford's residents to swim safely.

A year on, our application for bathing water status is now in the hands of the Department, but there is of course also a renewed national focus on cleaning up our rivers in the Environment Bill. I will reassure the Minister that that will not be hijacking this debate. Of course, the Environment Bill does return to the House on Monday and it will give us the opportunity to improve water quality in our rivers everywhere—not just in Oxford—by placing a duty on water companies to ensure that untreated sewage is not discharged into our inland waters. The public backlash following the defeat of the Duke of Wellington's amendment surely made clear how important that issue is to people up and down the country. The Government say that they want to act, and I look forward to seeing any strengthened amendments that might come back next week, but whatever happens, I hope that our application gives the Government an opportunity to demonstrate further their commitment to that cause.

I am also heartened that the water companies themselves recognise that more must be done. The chief executive officer of Thames Water, Sarah Bentley, admitted during her recent appearance before the Environmental Audit Committee that Thames Water's track record on sewage has been unacceptable. It is worth noting that it already has alerts when it intends to release sewage. She went on to commit that Thames Water would spend £1.2 billion over the next five years on improving the overall network and ensuring that sewage is not released during heavy rain.

Tim Farron (Westmorland and Lonsdale) (LD): Just last year in the Lake district, United Utilities, the north-west water company, dumped raw sewage for the equivalent of 71 full days into Windermere, England's largest lake.

[Tim Farron]

Does my hon. Friend agree that bathing site status, which I am asking for Windermere and the Rivers Rothay, Brathay and Kent, would be a way of ensuring quick action so that water companies do not carry on doing this outrageous stuff?

Layla Moran: I could not agree more. No doubt many other places in the country would want the same thing.

It is worth noting that our application has the support of Thames Water. In fact, it paid for a staff member to help to put in the application, so it is determined to do something about the issue. However, on the point that my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) made, we also need an effective Environment Agency, because it is the regulator and it needs the resources and the teeth to hold the water companies to their promises. Therefore, I urge the Minister to assess its ability to do that important work and to ensure that it is well funded to do it. The will is there, and things are moving in the right direction, but we now need as much action from the Government as possible to keep up the momentum and keep water safe.

I am sure that I cannot have been the only one who, during the pandemic, contemplated the natural beauty around me. Indeed, I even bought a wetsuit, hoping that I would get into the river. I did not quite make it, but a lot of people did. In a survey of residents in Oxford, 21% said that this was the first year that they had ever dared to go in the river. They reported that it helped their mental health and wellbeing. There is a truly national movement for wild swimming, and it is wonderful.

Last month, I had the opportunity to meet activists at a bathing site in Wolvercote, just on the edge of Port Meadow. They told me how important it was for them that the designation was made. It would mean that the river that they loved would be subjected to a strict testing regime based on public health requirements. The number of people swimming or picnicking there peaked at an impressive 2,000 a day. It is a very popular spot and there are many like it across the country, as we have already heard. Shockingly, however, there is only one other river in the whole of England that has been granted bathing water status: the River Wharfe in Ilkley, Yorkshire.

Robbie Moore (Keighley) (Con): The hon. Lady mentioned the River Wharfe in Ilkley, which she rightly says is the first river in the whole of the UK to be awarded bathing water status. I want to congratulate the Government on granting that status on the back of a very successful campaign run by the Ilkley Clean River Group. I wholeheartedly support that, because this is a great mechanism for putting more pressure on our utility companies, such as Yorkshire Water, which is discharging storm overflow sewage into the Wharfe.

Layla Moran: I congratulate the hon. Gentleman's group on bringing that forward, because we want to double the number of rivers with that status—indeed, to triple or quadruple it in this room alone.

Philip Dunne (Ludlow) (Con): I congratulate the hon. Lady on securing the debate. On my hon. Friend the Member for Keighley (Robbie Moore)'s point, I am

pleased to confirm to the hon. Lady that the River Teme in my constituency has also been put forward by Severn Trent Water to, I hope, become the second river in England to achieve bathing water quality status. It will cost quite a lot of money to do that. The Government have allowed, through Ofwat and the green recovery challenge fund award to Severn Trent Water earlier this year, close to £5 million to be invested in improving the very things the hon. Lady was going on to talk about, and which my hon. Friend raised—that is, the storm overflow discharges upstream of Ludlow, to allow bathing water quality to be improved. I urge the hon. Lady to invite Thames Water to explain to her how many storm overflow assessments have been done on the Thames upstream of Oxford, so that she can get a view on the progress it is making. I understand that over the weekend five discharges were identified from the storm overflows upstream of Oxford. In the last two days, people might have been enjoying swimming but they could not.

Layla Moran: I thank the right hon. Gentleman for his advice and intervention. Here we are: we are five in the room. That compares with France, which has 573 designated swimming areas. Germany has 38 and Italy 73—we are way behind. We are lagging behind when we should be leading the way. I sense an all-party parliamentary group forming—but anyway, there is certainly a lot of keen interest across the House.

Our application went in on 20 October. In fact, the city council has put in an application for two areas on the Thames at Port Meadow: one at Fiddler's Island and the other at Wolvercote. Once the status is given, the water company and the councils will have five years to reduce bacteria levels to at least sufficient status in the summer months, otherwise, the area is de-designated. That pressure really matters. It also places a duty on the Environment Agency to keep testing the water regularly and the council to display signage on water quality. It is entirely right to give river users the choice about whether to bathe; currently, they simply do not have the information to decide whether it is safe. Unfortunately, all evidence at the moment suggests it is not.

Research by the Oxford rivers project published in September found that sewage pollution is increasing bacteria levels in popular swimming spots to the point where they are deemed unsafe. The current situation, where the Government allow water companies to release untreated sewage into rivers in exceptional circumstances is untenable and downright dangerous, because it is not exceptional. In Oxfordshire, just up from the areas I am talking about, it happened around 60 times last year. The average is more than once a week. The only thing that is exceptional is how it is allowed to happen at all. Bathing water status would be a small but significant step in holding those water companies better to account.

The most recent assessment nationally from the Environment Agency found that only 14% of rivers in England are in good ecological health and 0% are in good chemical health. According to the two sampling points included in the application to the Department for Environment, Food and Rural Affairs, Port Meadow has poor water quality.

In April, a survey of 1,140 Oxford residents found that 67% had been swimming in the river for years, and 75% of them said they did it weekly in the summer months. It is a self-selecting group, but these residents

nevertheless recognised the risks that they are taking, as 57% listed water pollution as their top concern, with river swimming or similar river activities such as kayaking or paddle boarding being something they worry about. It is such a shame that such a joyous activity is tempered by such concerns. When A.A. Milne invented the game Pooh sticks I do not think he thought the name would have applied quite so literally. Our rivers should be places of protected picturesque beauty, not low-cost avenues for getting rid of sewage and, for that matter, biodiversity along with it.

Oxford has a centuries-long history of river swimming and other river activities, so it was ridiculous that, before this campaign—started by a PhD student, Claire Robertson, and volunteers as part of the Oxford rivers project—river users did not even have information about whether the quality of the water would affect their health. The research found that in months with heavier rainfall the bacteria levels were as much as double the recommended threshold. These levels have the potential to make anyone coming into contact with the water very ill indeed. When experts looked at which type of bacteria was causing this illness, they found that it was actually sewage, not agricultural run-off, which is what they had previously been told it was—yuck! Claire and her project have been funded by Thames Water, Thames21 and the Rivers Trust to do this research, and they have done a truly remarkable job.

There is such strength of feeling in Oxford from across the community that the petition for bathing water status has now reached over 5,000 signatures, but many of these residents have written to me separately. Heidi, who is part of a group of West Oxford women and regularly swims in the Thames at Port Meadow, described in her email that

“we’re very concerned about the pollution in the river and especially the release of raw sewage by Thames Water into the river after rain fall. I have signed up to a sewage release alert and I’m very shocked how often I receive emails from them notifying me of a sewage release”.

Max wrote to me and explained,

“over the summer I swam a number of times with my family in the Thames in and around Oxford...My daughter even became sick after a swim and was laid up with stomach cramps for several days”.

Jessica, in her email, told me,

“each swim is tempered with how even better the water quality could be. I’ve seen photos of the river 5 years previously and the bright green of the weeds and clear water look stunning, now it’s a brownish grey”.

Cherry described to me:

“I swim every year from Port Meadow, it is a great pleasure but I am appalled that the water is so unclean. As you know it has been a favourite swimming place for many people. I grew up swimming in the Thames and Cherwell and continue to do so at 79.”

For some, the experience can have much longer effects. Amanda wrote in to me and said:

“I knew immediately I got in that the water was different. It looked green and felt fizzy. I got out straight away but still became ill, requiring antibiotics”.

Unfortunately, these experiences are all too common, and they need to stop.

In conclusion, I simply urge the Government and the Minister to take action and protect our rivers, starting by granting the River Thames in Oxford at Port Meadow bathing water status. The application has the backing of

the community, the water company and the councils. We are not asking for any money at this point, but we want the application to be granted so that we can work with all the partners concerned, including the Environment Agency, Thames Water and the Oxford rivers project, and make sure they have the tools they need.

I appreciate that the application is in and it is unlikely we will get an answer today—although if the Minister wants to give us positive news, we would be delighted—but I very much welcome her remarks in her response, and I look forward to a positive outcome as soon as possible for the people of Oxford.

11.14 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rebecca Pow): It is a pleasure, as ever, to see you in the Chair, Dame Angela. I thank the hon. Member for Oxford West and Abingdon (Layla Moran) for raising this issue on behalf of her constituents. Of course, it is an issue that many people are talking about. I like the image of her in her wetsuit and I am sorry she did not get to use it. I am a bit of a coward when it comes to the cold. I always wear my wetsuit, even in high summer in Cornwall when I go to the bathing water areas there, which I recommend. It’s great.

The hon. Lady knows—at least, I hope she is getting the message—that the Government have made improving our water quality an absolute priority, and it is a personal priority of mine. I hope colleagues understand that. I worked closely with my right hon. Friend the Member for Ludlow (Philip Dunne) on what was going to be a private Member’s Bill and we rolled it over into the Environment Bill. I have worked with other Members here. My door is always open to talk about these issues, because we want to improve our water quality. I am sure the hon. Lady knows that I have put the water companies on notice. They are under the microscope and things need to improve.

I will touch on the Environment Bill, although the hon. Lady promised that we would not get bogged down in that. She knows that we voted through six pages of measures in the Environment Bill the other day when I was at the Dispatch Box in the main Chamber, and they were all things to improve water quality and to tackle sewage pollution in particular. I made it crystal clear to the water companies that what has been happening is unacceptable.

The Government have also introduced new environment measures that will require water companies to report in as near real time as possible on storm sewage overflows—in fact, within an hour of their being used. That will make a significant difference to how the Environment Agency can then enforce those measures. Those things will be positive. As well as all the other measures introduced in the Bill, the Government announced in the other place the other day that we will further strengthen the Bill with an amendment to ensure that water companies secure a progressive reduction in the adverse effects of the discharges. We have worked very closely with colleagues on that, and we are going in the right direction. All that gold-plates what we have already flagged to the regulator, Ofwat, in the draft policy statement. It has to make it a top priority for water companies to reduce their use of storm sewage overflows, which is the first time a Government have done that. Also, DEFRA has to produce a plan for all that by September 2022. So movement is happening, and it needs to.

[Rebecca Pow]

The hon. Member for Oxford West and Abingdon talked about water quality in detail, and there are many pressures on our water environment that affect it. It is not just storm sewage overflows. It all relates to our growing population, intensive farming, climate change, chemical use and so forth. We need to collectively address all those things in order to return our water to its near natural state. The Government are determined to do that. I put on the record that £30 billion has already been invested by the water companies since 1990, and they have achieved a significant reduction in phosphates and ammonia, but there is a lot more still to do.

The hon. Lady mentioned enforcement, and I am pleased to say that we have provided additional funding for the EA to increase farm inspections nationwide over the next 18 months. That will include an extra 50 inspectors carrying out more than 1,000 inspections this financial year. They will target areas of particular concern initially—for example, the River Wye, the Solent, the Somerset levels in my constituency, and Lyme bay. We have also committed additional funding for extra catchment-sensitive officers to work on the ground to tackle land use on the agricultural side, which also impacts on our pollution. We have support for farmers to help deliver on that.

The bathing water issue is obviously the crux of the debate. There are more than 400 designated bathing waters in England, mostly around the coast, because we are an island. That is a difference between France and us. They are managed to protect the public's health. The EA regularly takes samples and tests the bacteria level because the water needs to be clean and safe for swimmers. We recently introduced a new measure for water companies to monitor those sites all year round and give data, which is very useful for swimmers, surfers and others. There has been good progress over the past 30 years, but there is clearly more to be done.

More than £2.5 billion has been invested by English water companies to improve bathing water since privatisation. Figures in those bathing areas are good on the whole: 98.3% of bathing waters in England pass the minimum test and, of those, 70% achieved excellent ratings. That compares with 28% in 1990. I was an environment correspondent in the west region and regularly reported on those sites. I can confirm that things have improved since those days, but there is certainly more to do.

We welcome applications for bathing water designations for both coastal and inland sites. They are used by many people and we believe more people would use them. Coronavirus has demonstrated how valuable they are. When an application is received, it is reviewed against Government criteria, which are on the gov.uk site. If it meets those criteria, a consultation is run, as happened in the Wharfe area, as my hon. Friend the Member for Keighley (Robbie Moore) will know. Following that, a final decision is made about whether the site can be designated. If so, the aim is to designate it the following season.

If a site were to receive the designation of bathing water status, the EA is enabled to spring into action and look at what is needed to improve the water quality to meet the standards set by the regulation. It could add a requirement to the water industry natural environment programme—WINEP as we call it—for funding for the

next price review, for example. If necessary, the EA assessment could include discussing options with Ofwat, to explore bringing forward investment. There are measures, as the hon. Member for Oxford West and Abingdon well knows.

As has been mentioned, this year my Department designated the River Wharfe in Ilkley. We are currently considering the application, received just two weeks ago, from Oxford City Council. We received letters of support from the hon. Members for Oxford West and Abingdon and for Oxford East (Anneliese Dodds), as well as from Thames Water, making clear how proactively it wants to support this, which is welcome.

I met the chief executive at my chalk stream restoration strategy launch recently, and she told me how determined the company is to get to grips with the storm sewage overflows. It has made a commitment to get close to real-time notifications on all discharges, and expects to have that up and running by 2022. That will obviously be significant for this application. The point is that water quality will not change overnight; it will not be instant. That is why all the other actions to reduce the overall levels of pollution, taken by farmers, landowners, the industry and other combinations, are so important. Multiple organisations will be involved, as they are in the Ilkley area.

We heard references to some other areas. I am heartened that we are getting those other applications because it means we can genuinely get moving. I thank my hon. Friend the Member for Keighley for the work he is pushing on that. Similarly, I look forward to hearing from my right hon. Friend the Member for Ludlow about the River Teme application and the work that he is doing; he is doing such good work on this issue. I have already met the hon. Member for Westmorland and Lonsdale (Tim Farron) about Windermere.

Local authorities have been able to apply for bathing water status since 2013 and every year my Department writes to them to ask them if they would like to put forward a site. Interestingly, how many such applications do hon. Members think we have had since 2013? Five. Obviously, each application is considered, and of those five applications four have gone forward. So this is a new world of bathing water that we are looking at.

Robbie Moore: Anyone can submit an application, as we saw in Ilkley, where it was not the local authority that submitted the application; it was our hard-working, dedicated campaign group that was at the forefront in submitting that application. I just wanted to reiterate the point that this process is open to everyone to get involved with.

Dame Angela Eagle (in the Chair): Order. We are talking about bathing water in the Thames at the moment. I have given some leeway, but let us not stray too far.

Rebecca Pow: Thank you very much, Dame Angela, for getting us back on track and enabling us to get back to Oxford. However, my hon. Friend made a very good point and we genuinely understand everybody's strength of feeling about swimming in their local area.

Tim Farron: I am very much guided by your words, Dame Angela. I was very interested to hear what the Minister said about the number of applications made

by local authorities; the hon. Member for Keighley (Robbie Moore) made the point that other people can also make applications. However, is the Minister saying that—whether it is the Thames, Windermere, a river in Kent or any other river or waterway—if local authorities make a request for bathing site status for one of their waterways, that request will be taken seriously and considered?

Rebecca Pow: I had hoped that I had already made that clear. There is a process, which is set out on the gov.uk website. What has to be done and the procedures that have to be gone through are set out very clearly. Then there is a consultation and consideration of the feasibility of an application.

However, I must reiterate that there are other requirements, which the hon. Member for Oxford West and Abingdon mentioned. There is also a particular emphasis on safety; for example, will life-saving equipment be provided? Is there space for all the people who might turn up and will they be provided for, with parking spaces, cafés and toilets? All those things then become part of the whole discussion about whether a site is a suitable area for bathing. As I say, safety—keeping people safe when they are swimming—is obviously a really key issue.

I will wind up there. As a Government, we recognise the real health benefits of healthy waters and the importance of managing them well. Of course, all this links in to everything we are doing this very week at COP26 to have a healthy, sustainable planet on which we can all live and thrive.

Question put and agreed to.

11.28 am

Sitting suspended.

NHS Efficiency

[SIR GARY STREETER *in the Chair*]

4 pm

Sir Gary Streeter (in the Chair): Before we begin, I encourage Members to wear masks when they are not speaking, in line with current Government and House of Commons Commission guidance.

Paul Bristow (Peterborough) (Con): I beg to move,
That this House has considered NHS efficiency.

It is a pleasure to serve under your chairmanship, Sir Gary. I draw Members' attention to my entry in the Register of Members' Financial Interests.

Our NHS is in my DNA. Both of my parents were nurses and worked in the NHS for most of their working lives. It was the NHS that brought my family to Peterborough when I was just five years old, and I have worked in NHS policy for 20 years. My commitment to our NHS and its principles is clear. Few things inspire as much national pride as our national health service, and I want to keep it that way.

The NHS has lost its ranking as the best healthcare system in a study of 11 rich countries by an influential US think tank. Most worryingly of all, it fell to ninth when it came to healthcare outcomes. We must do something about this. We must ensure that the record investment that we are putting into our NHS is spent well. I suggest that that money should come with some very specific key performance indicators that would ensure that it is not wasted.

I feel strongly that the money should be in the gift of Ministers in the Department of Health and Social Care, who are accountable to Parliament, rather than NHS England or NHS Improvement. Like the Department for Levelling Up, Housing and Communities would do with a local authority that does not run a balanced budget or provide statutory services, the Department of Health and Social Care should be able to intervene directly, or at least provide incentives. Recipients would not get their share of the extra cash unless they addressed the challenge of access to care and improved outcomes.

I am keen to help Ministers. I almost feel thwarted, because progress on many of the things that I spoke about at the party conference last month have started to be reflected in Government announcements. That is obviously a good thing, but extra money must come with strengthened incentives to do the right thing and, quite honestly, consequences for not doing the right thing.

The first area in which we need to make progress is local NHS management. Local government has had to make a series of savings in recent years. Armies of local government managers all doing the same jobs in neighbouring local authorities have been an easy target for those defending the interests of taxpayers. However, local authorities have done rather a good job of sharing senior officers. For instance, the chief executive of Peterborough City Council is also the chief executive of Cambridgeshire County Council. As a former Hammersmith and Fulham councillor, I also remember the 2011 tri-borough shared services agreement in west London, between Westminster, Kensington and Chelsea,

[Paul Bristow]

and Hammersmith and Fulham, which saved over £33 million in just four years. Labour-controlled Hammersmith and Fulham petulantly took their toys home a couple of years later, but the bi-borough arrangement is still saving the taxpayer millions, and this practice is replicated across the country.

That practice is unheard of in our NHS, but why is that? There are no reasons why NHS trusts and new integrated care systems cannot share officers and back-office functions. Let us do away with every NHS trust having its own specific CEO, finance director, human resources director, estates director or diversity director. It is not controversial to ask our NHS to learn from local government. If certain localities cannot make those management savings, are unwilling to share back-office functions, cannot look to make savings, why would we give them the extra cash? I suggest a KPI on a reduction in management costs and back-office costs. I think it would be warmly welcomed by the taxpayer and those in our NHS who know that money is wasted.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): I draw colleagues' attention to my declaration of interest as a practising NHS doctor. Does my hon. Friend agree that one of the challenges is attracting good expertise, perhaps from the business world, into the NHS and that that sometimes costs money and resources? While he is wishing, correctly, to make savings in back-office costs, we should not be too prescriptive because we need to make sure the best people are coming into the NHS, both from within and without, to deliver the productivity gains he desires.

Paul Bristow: That is a characteristically well-made point by my hon. Friend. In the current system, NHS chief executives spend 18 months in one trust, then travel to another, spend 18 months there and then travel to another. That is no time at all to get to grips with the challenges that these organisations face. We absolutely need people from the private sector to come in and do these jobs. If they were doing these jobs on a larger scale, that would be welcome. I am specifically requesting that we look to local government, where people have come in and transformed services. I suggest we do the same in our NHS.

My second point is on innovation and new ways of working. Innovation is the way an organisation develops. It should be a constant process—trying to do things better, improving outcomes for patients and trying to be more productive. Across the NHS there are those that innovate with new technology, those that adopt new pathways and service delivery, and clinicians who want to train and learn new techniques. However, the NHS can be poor at spreading best practice at pace and scale. Like any bureaucracy, it can be slow at looking at new ways of working.

There have been attempts to address this. We spent millions funding organisations such as Getting It Right First Time—GIRFT—under Professor Tim Briggs, which is a national programme designed to improve the treatment and care of patients and collect best practice. We created the National Institute for Health and Care Excellence—NICE—which, when it was created, was considered to be a model for the world to emulate on determining the

cost-effectiveness of technologies and drugs. NICE also produces quality standards that set out priority areas for quality improvement in health and social care. After all this work has been done and all this money has been spent, many parts of our NHS just ignore it. They say things such as, “This can't possibly apply to us,” or, “This is merely guidance, and we don't need to do this here.”

The use of insulin pumps and implantable cardiac defibrillators or vascular technologies should not depend on where someone lives, but it does. The solution is certainly not to reduce GIRFT's budget from £22 million to £10.8 million, but that is what has happened. GIRFT should be empowered to develop best practices in primary and community care, and we should look at the GIRFT model of hot emergency and cold elective centres to help us power through the backlog.

What is the solution? How do we make outliers adopt best practice and do the right thing? A KPI, and perhaps even GIRFT or NICE, can help us with technology and pathway adoption, which could transform productivity, powering us through the backlog. Backed up with an incentive such as a generous and workable best practice tariff, a KPI could focus attention. If outliers persist in a practice that has been shown to be outdated and to follow pathways that do not lead to optimum outcomes, why would we give them the extra money?

On capacity, staffing is recognised to be a risk factor in delivery for our NHS. The money is there, but it takes a long time to train a doctor, GP or nurse. That is why every hour of a medical professional's time is valuable. We have to make sure that they are doing what they are paid for and what they went into medicine to do.

Dr Luke Evans (Bosworth) (Con): My hon. Friend is making a fantastic speech. Does he agree that every hour of a clinician's time is valuable? The average clinician loses about 10% of their workload simply chasing up letters, following up blood tests or trying to find scans, which is a complete nonsense in our current system. It could easily be ironed out by joining up simple IT between primary and secondary care. Is that a KPI my hon. Friend could support?

Paul Bristow: My hon. Friend is a champion of efficiency in the NHS and in his profession, and he makes such points regularly in the meetings of the Select Committee on Health and Social Care. Perhaps he has already read my speech, because I think that the winter access fund is an excellent start. It will address what many GPs have rightly complained about for some time, which is the amount of time they spend on fitness notes and chasing appointments, as well as something that I only realised when I met GPs in my constituency. I want to give a quick shout out to the super Dr Neil Modha and his team at the Thistle Moor surgery, who are doing a fantastic job in a very challenging catchment area. What I realised was how much time GPs spend providing medical records to insurance companies and other bodies, which just is not their job.

We need clinicians to practise at the top of their licence. We need GPs seeing ill patients, not prescribing things a nurse could easily do. Nurse-led prescribing has been around for a long time, but it has not been rolled out across as many areas as it should. We need a

revolution in physician associate and nurse-led prescribing, which will free up the time for GPs and consultants to do what they need to do.

That same waste of clinician time happens in secondary care. We need surgeons using their skills in the cath lab or the operating theatre. They should not be in theatre only one day a week; they need to be there multiple days a week, every week. I hope surgical hubs and other initiatives will help, but I fear that without a strict KPI on clinician time on highest-skill, highest-value activity—and I am not opposed to backing that up with financial incentives—we will not make the savings in clinicians' time that we need. Only with such a KPI, together with an effort to demonstrate how valued our clinicians are, will we ensure that their valuable time is not wasted. If an integrated care system or the management structure at an NHS trust cannot or will not do that, we should make it dependent on the extra cash.

Finally, much of this is dependent on greater transparency. I was very pleased to hear the Secretary of State for Health and Social Care say this morning to the Health and Social Care Committee that we are going to be able to see more data relating to the performance of GP practices, but that needs to happen with ICSs as well. In the past, clinical commissioning groups in this country could be guilty of hiding commissioning policies, rationing hip and knee surgeries to those with a body mass index of below 30—or even 25 in a handful of cases—on page 145 of a 278-page document on a website that no one ever reads.

NHS England is just as guilty of doing that with national service specifications and commissioning policies, and politicians have very few means of challenging that as politics has been taken out of the NHS. We need to open up the windows and let the light in. Accountability and transparency have always been the way to improve performance and efficiency, so let us have the Ofsted-style rating for ICSs and other NHS bodies. Let us know who does well and who does not. Together with clear KPIs, transparency and accountability, we can ensure that the record cash injection, which my constituents applauded, is spent well. The NHS is a source of national pride, but its performance post-pandemic can and should improve. I offer Ministers a few ideas—a few acorns—for how we might do that.

4.13 pm

Dean Russell (Watford) (Con): It is a pleasure to speak under your chairmanship, Sir Gary, and an absolute honour to follow the excellent contribution of my hon. Friend the Member for Peterborough (Paul Bristow). I refer to my registered interests and, in particular, I raise the fact that I am the chair of the all-party parliamentary group on digital health, which very much informs some of my points today.

I will be brief, as I am conscious that this is a big debate to have in a small period of time. One of my passions for looking at efficiencies in the NHS comes from my own experience. About 12 years ago, I was asked by the Department of Health to do a strategic review of every NHS website in England and Wales. I will cut to the punchline: there were more than 4,000 live sites. I did the financial calculation and worked out that between £87 million and £121 million a year was being spent on websites, many of which people did not even

know existed. That highlighted that one of the challenges for the NHS is that, because of its immense scale, even though people want to do the right thing, duplication inherently causes extra costs on a scale that one cannot really comprehend in a normal business, or even in a global business.

This highlights various points. First, if we want to improve efficiencies, we need to make sure that patient experience and patient care is at its heart. There were 4,000 websites at the time, of which several hundred were about how to stop smoking. It would probably have been more efficient to have one really good stop smoking website, rather than 200 average ones.

Patient experience is not just about the outcome but about how patients find the right information, how they get to the source and how we make sure they are not having to repeat the same thing every time they go for an appointment, which is where technology is so important. We often think of technology in the NHS as big, expensive, lumbering IT systems that are hard to comprehend, but the world has changed. We now have a consumerised approach to healthcare. People have watches that can track their heartbeat. They can go online and book appointments by email. They can use apps to do so much more, even track their covid status.

We need to look to the future, not just on efficiencies for cost savings but on patient experience. Thinking about the sort of experience we want patients to have over the next 10 or 20 years, it has to be seamless and efficient. Seamless in the sense that if a person breaks their arm, they do not have to say that they have broken their arm every time they see a new clinician, go on to a new website or use a new app. Their broken arm might mean they need additional wraparound care or it might affect their ability to work, so what will be the impact on social care? If we start to put patients at the heart of what we do, we can create efficiencies around them, rather than requiring them and the NHS to duplicate their efforts.

There is a great opportunity to look again at patient experience, given the technology that is available not just in the NHS or in social care but generally. We are now used to using social media, apps and phones for so many different things. If we can start to bring that into how we look at the future world of health, we would have a powerful opportunity to say to patients, "What would you like your health system to look like?" Rather than imposing variations of the health system of the past 40 or 50 years, we could ask, "What is it that you, as an individual, would like to see in how we look after you, your children and your parents, not just now but for decades to come?" We could then create an efficient and effective system that has patient outcomes at its heart and that ultimately creates a superior patient experience that helps everyone and, as I always say, is free at the point of use so we can make sure that the NHS continues to live up to its values as it always has.

Let us look to the future and let us see what is available, rather than just relying on what we had in the past.

4.18 pm

The Minister for Care and Mental Health (Gillian Keegan): It is a pleasure to serve under your chairmanship, Sir Gary.

[Gillian Keegan]

I welcome the idea and the timeliness of this debate. My hon. Friend the Member for Peterborough (Paul Bristow) has raised an important issue, and I know many hon. Members present have great experience of various parts of the NHS, including my hon. Friends the Members for Watford (Dean Russell), for Bosworth (Dr Evans) and for Central Suffolk and North Ipswich (Dr Poulter). I thank them for their contributions to the debate.

We all have a responsibility to taxpayers to make sure that the NHS uses its resources as effectively as possible. To do that, we need to ensure that productivity grows every year, which is why the NHS long-term plan includes financial test 2:

“The NHS will achieve cash-releasing productivity growth of at least 1.1% per year.”

I make it clear that increasing productivity does not mean making staff work harder or making cuts. It means getting the most out of every £1 the NHS spends, and making sure that as much as possible is spent on frontline care. It means doctors and nurses doing the tasks they are trained to do and that nobody else can do. It means buying the right drugs at the right price. It means more patients getting the right treatment in the right place at the right time. That is good for patients, good for clinicians and good for the taxpayer.

Thanks to the hard work and innovative mindset of many NHS staff, the NHS is regularly recognised as one of the world’s most efficient health systems, although I take the point made by my hon. Friend the Member for Watford that there are different ways of measuring efficiency globally. In fact, in the decade before the pandemic, productivity growth in the NHS was faster than in the wider economy, as was independently verified by the Office for National Statistics.

Furthermore, the UK spends only around 2% of healthcare expenditure on administration—we spend a lot on the NHS, but only 2% of it on administration—and managers make up only 2.6% of the NHS workforce of 1.35 million. They might be an easy target for criticism, but good managers are of course essential to making services work, and many of us will have had experience of that throughout our various careers. If there were no managers, clinicians would have to manage their own workforce, logistics, finances and websites, and spend less time with patients. None the less, we want to improve the quality of management further, which is why we have asked General Sir Gordon Messenger to lead a review of leadership in health and social care.

Dr Poulter: I refer to my earlier declaration about my entry in the Register of Members’ Financial Interests, as a practising NHS doctor. On the point that the Minister just made, of course we want to promote clinical leadership in the NHS in senior management positions, because we know that that benefits patients and leads to efficiencies, but we also need to consider the fact that although there are many good NHS managers, a lot of them have never had experience of life outside the NHS. I wonder whether my hon. Friend the Minister could briefly say how we can draw in better business experience and other experience, so that NHS managers have broader experience, and can bring that benefit to the NHS and drive efficiencies.

Gillian Keegan: I have heard exactly the same point being applied to many different industries, even politics—how many people come from business into politics, or go from politics to business? That crossover between the public sector and the private sector, including bringing particular skills and learning from one to the other, is not done nearly enough, which is why I spend a lot of my time trying to get more business people involved in politics. However, I am sure that it is a challenge for people to do that, because I guess that people tend to get stuck in the way that they know and go up the career ladder in the world that they know, so there is too little crossover. I guess that the recruitment companies have something to answer for here. They look for square pegs for square holes—namely, people to do what they have already done, so that there is a natural progression.

Nevertheless, we need to encourage that crossover. If we put out a call to say, “Actually, we really do want businesspeople to join us and help us,” I am sure that many businesspeople would be interested in having a second career in public service, as we ourselves are all doing here in Parliament.

As I was saying, General Sir Gordon Messenger will review leadership; the terms of reference for that review are being developed right now.

There is no doubt that covid has had a severe impact on NHS productivity. Covid significantly increased costs for the NHS, while we also had to stop some regular activity, so productivity was obviously much lower than it would have been otherwise; indeed, many patients did not even wish to attend in-hospital services. Of course, covid made more stringent infection prevention and control measures necessary. Those measures, such as having to put on and take off personal protective equipment, slow staff down and limit the number of patients they can see, and will probably continue to hold down productivity in the immediate future. We know that that has happened, with the existence of green zones and red zones, and other new processes to try and control infection during this period.

We do not yet know what impact covid has had on NHS productivity, but we expect that it will turn out to be large and negative. The ONS estimated that public service productivity as a whole fell by 22.4% between July 2020 and September 2020, compared with the same quarter a year earlier. Even as productivity recovered, it was still 9.8% lower in the first quarter of 2021 compared with Q1 in 2019. Covid has definitely had a massive impact on productivity, and it is reasonable to expect that the impact on NHS productivity will be similar.

At the same time, however, the pandemic has been a spur for innovation. Across the NHS, clinicians said that the pandemic offered an opportunity to cut through bureaucracy and try new ways of working and new ways of partnering with local services. In London, the hospitals worked together and, as my hon. Friend the Member for Peterborough mentioned, their Getting It Right First Time programme will pilot a new approach to high-volume, low-complexity surgery. That is now being rolled out across the NHS. My hon. Friend also mentioned budget numbers, but it is not easy to compare like with like, because that programme has been integrated into the NHS Improvement budget and is now embedded within the plan for elective recovery, so that is where the finances are coming from.

Trusts will be benchmarked against the programme standards for surgical productivity through the model hospital system, and NHS England and NHS Improvement have set up a beneficial changes network to collect evidence of innovation during the pandemic. The network has distilled 3,000 submissions and 700 examples of recognised beneficial changes into 12 high-impact change areas, which will now be rolled out to the NHS. That is something good that has come out of the pandemic through the need to work together to face challenges.

As the NHS begins to recover, increasing productivity is more important than ever. Many patients could not receive the care they needed during the pandemic, and the NHS faces unprecedented waiting lists. We owe an immense debt of gratitude to NHS staff, who have worked so hard to care for patients throughout the pandemic, but the NHS now needs to use the investment that we have provided to deliver more care more effectively and to remove the burden from staff. This year, we are providing £2 billion through the elective recovery fund to increase activity levels, and £700 million through the targeted investment fund to fund improvements in surgical productivity and digital productivity tools. Digital will be a big feature—we have all learned a lot during the pandemic.

We have announced a further £1.5 billion to build surgical hubs across the country in order to develop new models of care and increase productivity, which is being piloted by GIRFT and the London region. Some £2.3 billion has been allocated to transform diagnostics by rolling out at least 100 community diagnostic hubs and investing in digital diagnostics that will deliver 10% higher productivity. Another £2.1 billion has been allocated to digitise frontline services and free staff from admin tasks, so that they can spend more time with patients—something that was mentioned by my hon. Friend the Member for Bosworth.

Our aim is to return productivity to an ambitious trajectory, so that we can deliver on our ambitious plan to build back better and to clear the waiting list, but also to build an NHS that is fit and able to cope with the demands of the future. Of course, we have more work to do on integrating social care and developing best practice so that the systems work well together. It is not over and we have a lot of work to do, but I am sure that with all the measures that we have put in place, my hon. Friend the Member for Peterborough will feel satisfied that the NHS is continuously looking at continuous improvement.

4.27 pm

Paul Bristow: I am impressed by the Minister's response. She talked a lot about how the NHS will improve efficiency and productivity post pandemic. I remind her of the plea that I made at the very end of my speech: the key to this issue is transparency and accountability. If we do not open the windows and let the light in, the Government's ambitions will not be realised, and money will be wasted through other means. Let us try to create an NHS that is as transparent as possible and accountable to Ministers, then we might be able to see some of the changes that the Minister talked about in her speech.

Question put and agreed to.

COP26 and Air Pollution

4.30 pm

Sir Gary Streeter (in the Chair): Before we begin, I remind Members that they are now expected to wear face coverings. That is in line with current Government guidance and that of the House of Commons Commission. Please also give each other and members of staff space when seated and when leaving and entering the room. It is a great pleasure to call Mr Barry Sheerman to move the motion.

4.31 pm

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I beg to move,

That this House has considered COP26 and the impact of air pollution on public health and wellbeing.

Sir Gary, it is my pleasure, on this day of all days, to have secured this Westminster Hall debate: a day when the whole world's attention is focused on COP26 in Glasgow, and there are signs—some mixed, but some good—of what is happening there. There has also been a petition, as you of course know, signed by more than 100,000 people, calling for an introduction of charges on carbon emissions to tackle the climate crisis and air pollution. Forgive me, Sir Gary, but I am currently suffering from a bad cold and a booster jab, so if my voice fails at any time, you will know the cause.

Air pollution kills 64,000 people in the UK every year, yet the Government provide annual fossil fuel subsidies of £10.5 billion, according to the European Commission. To meet UK climate targets, they must end this practice and introduce charges on producers of greenhouse gas emissions. Most Members of the House, and especially the Yorkshire Members, know of the Drax power station, which is currently producing energy from wood pellets, either produced in this country or imported from South America. For that purpose, it received a massive Government subsidy of £900 million last year.

I want to start at the beginning; I have always believed in borrowing from the United States declaration of independence, because I love the language. I used to be the head of a university's American studies department—indeed, I taught the Deputy Speaker at one stage. I believe that there is an inalienable right for every person on this planet to be born, to live and to breathe fresh air. At the moment, that is not the case. How bad is it? Seven million people die prematurely across the world due to air pollution-related conditions, with 36,000 premature deaths in the UK alone, costing an estimated £12 billion.

Of course, with COP26, there is a risk of a great missed opportunity, as I believe there was last week in the Budget. If I were marking it as a university teacher, I would grudgingly give it a lower second. Why? Because I thought it was very technically competent, but it missed any true originality. That is the mark of a good essay: true originality. Originality is so important to everything that is produced. I could see the technical competence in last week's Budget, but there was a lack of the imagination needed to say, "This is the time—with COP26 about to start in Glasgow, with all of us conscious

[Mr Barry Sheerman]

that the planet is warming up and with the future of this fragile planet in danger—to tell the British people that we must act.”

In my experience as the longest-serving Member of Parliament on this side of the House—I was elected in 1979—the British public are intelligent and resilient, and have good common sense. We can persuade them that something terrible will happen if we do not act, and that we need extra money and taxation to so do. They are persuadable, as they have been persuadable before. They were persuadable after the ravages of the second world war. They picked themselves up and went through a period of higher taxation in order to get through. The economy grew, and so we grew out of many of our problems.

What was missing in the Budget was a Chancellor who said, “The situation is so precarious that I am introducing a number of taxes that will raise money to give us more practical ways to tackle global warming, here in our communities.” That is what was missing. That is what I want to speak about today.

Too much of the talk at the moment is global. Two or three of us here had the foresight to be the first people to invite young Greta Thunberg to come to the UK and talk to an all-party parliamentary group, and what a pleasure it was to hear her speak. However, many people think, “I cannot be Greta Thunberg; I cannot be an international statesperson; I am not the president of any country. I am just me, in my community.” We are failing to give people the ability to say, “I can help tackle this. I can roll up my sleeves and make a difference in my community,” even though it may not be something that is instantaneously registered on the global index.

Today, I want to talk about clean air, because all of us can do something about it in a practical way, and we can do it now. Let us review how bad things are. I have mentioned the cost in numbers of deaths, and I have mentioned that we need individual campaigns, yet we are still giving subsidies to companies that are polluting the atmosphere. Today, I am going to suggest some quick wins.

I want real engagement across every town and city throughout the country on a journey to sustainability based on the UN sustainable development goals. Colleagues might ask what I am doing about it as a Member of Parliament. Two years ago, we brought a group of business people to Huddersfield who joined with the university and local charities to form the Huddersfield sustainable town initiative.

My constituents really dislike it if I say we are an average British town, so I must say that we are a typical British town, which we are across almost every criterion. We are a microcosm of the United Kingdom: the percentage of people in manufacturing; the percentage of people in services; the level of education; the skills. We are a microcosm. My philosophy, which is shared by the members of the Huddersfield sustainable town initiative, is that if we can change Huddersfield into a sustainable town, there is no reason why every community in our country could not become a sustainable town. Why can we not spread from Huddersfield? We are already working with 37 towns. Why can we not have 500 towns and cities in this country work towards sustainability?

People say, “Why all that nonsense? Just get on with it. Why would you want the United Nations’ sustainable development goals?” Sir Gary, you know of my great interest in road safety. I have campaigned on it for many years: I organised for seatbelt legislation as a young MP, and in my only successful private Member’s Bill, I banned children from being carried without restraint in cars. I am now chair of the Global Network for Road Safety Legislators, a World Health Organisation committee, and because of that, I know that if we take a particular subject—even safety in a community—and put it in the context of the sustainable development goals, we transform the potential of what we are doing. The great thing about those goals is that they are rigorous. I have been involved in environmental campaigns all my life with other colleagues, and those campaigns have done really good work across many areas, but too many of them are discrete initiatives: recycling, reuse, cleaning up rivers and streams, and that sort of thing. If we have the rigour provided by the sustainable development goals, and we start off our whole sustainable development programme by consulting local people with a questionnaire asking which ones they want to prioritise, we take a real step towards engaging the local community. That is what we have done in my own community.

One of the things that we are targeting in Huddersfield is clean air. How do we stop filthy fumes from going into the air, in our case from an ancient energy from waste facility? I am not against energy from waste if it is high quality, but we have an old facility, and it does not create heat that is used to heat homes. That heat is not used in the correct way: much of it goes into the atmosphere, which is very damaging indeed, so we must first make sure that every sustainable town, city and community rigorously meets those sustainable development goals. The goals give communities that rigour: they will say, “We’ve got to this stage—yes!” but to get to the next stage and get the accreditation, they have to go one step further.

We all know that transport is critical to those sustainable development goals. Many believe that transport is responsible for 40% of the emissions we breathe in this country, polluting London and cities across the country with noxious emissions. Some great friends of mine who are Members of Parliament for Lewisham and are active there know as well as I do—because of the work we have done in the all-party parliamentary group on air pollution—about Ella Kissi-Debrah, who passed away. Her mother, Rosamund Kissi-Debrah, who I have met, had the insight and inspiration to get in touch with Sir Stephen Holgate, one of the leading professors and medical experts on clean air and its link to health and wellbeing, who works at the University of Southampton. He gave evidence at the inquest, and he got its verdict changed, because that little girl’s death was related to asthma but it was caused by the filthy pollution that she was breathing in, in a community that is just a stone’s throw from here.

All over London, we have schools; we have children; we have pregnant women; and we have elderly people. I particularly woke up during the first lecture that Sir Stephen gave to our APPG, when he said, “This is not just about NOx: it is the platelets on the NOx that cause the real damage to human health. Those platelets not only poison people and make them very ill indeed, but accelerate the aging process.” At my age, I sat up in my chair immediately thinking, “Yes!” However, that is

only a lighter aside. The fact of the matter is that the air we are breathing in this country, in places where we might have thought we were guaranteed clean air, is not clean.

We have brought together a group of people in the Westminster Commission on Road Air Quality to try to do the research properly. We have an air health working party, a working party on air monitoring and a working party on education. Last week we heard from the experts on inside air, who said that where they have done audits inside schools—not just in the playground, not right by the polluting road that passes the primary school but in the classroom—the air is poisonous to breathe. If that is the case, it is time to take action, and take action we must. It also gives the opportunity for everyone to take action at the grassroots and to do it quicker rather than slower.

Yes, we all believe that we should move as fast as possible to electric vehicles, but all the research that I have been immersed in in my role suggests to me that the more we look at what is happening with electric cars, many of us believe that electric will be overtaken by hydrogen power. There is more and more evidence, in fact. Research is interesting because, with heavy goods vehicles carrying big loads, batteries are hard to use. In hilly areas, they do not have the ability to cope. Much of the research has been with HGVs, and the research that I have been privy to shows that already many HGVs are being produced to use hydrogen power. If that is true for big vehicles, it will come to small vehicles soon.

Of course, we must improve the vehicles on the road, but there are quicker things to do, too. We know that there are ways of adulterating—in the best way—the diesel that is put into commercial vehicles with vegetable extracts that make it much less polluting. Indeed, one of the people who has been educating me about that is William Tebbit, son of Norman Tebbit, who many of us remember very fondly. So this is not pie in the sky or wait a long time; this is stuff that we can do now, changing the fuel we are putting in heavy goods vehicles.

Sir Gary Streeter (in the Chair): Barry, to give others a chance, perhaps you would take just a couple more minutes.

Mr Sheerman: I am just coming to the end.

Another practical issue is, how many people realise that, at the moment, nothing in the MOT test tests how polluting someone's vehicle is? There is nothing in the test about what comes out of the back end of a car. If the recommendations that have been brought forward could be acted on now, we could transform the quality of the vehicles on our roads. Someone gave me this information recently: if we take out the particulate emissions filter in a vehicle, or it does not work properly, that one vehicle produces the equivalent of a traffic jam between Westminster and Huddersfield. That is frightening, is it not?

We have many practical ways to change the air in our country and move towards a clean air environment. I believe that this is the secret to opening people to getting involved in the environment, to accepting—perhaps—higher taxes in order to stimulate that move, and all round, to moving towards more sustainable and greater health and wellbeing for our country. I recommend this big change in our country; let us do it now.

Sir Gary Streeter (in the Chair): Colleagues, there are five who wish to speak in this 60-minute debate, with about four minutes each. Wind-up speeches will begin at 5.10 pm.

4.50 pm

Mrs Maria Miller (Basingstoke) (Con): It is a great pleasure to see you in the Chair, Sir Gary. I commend the hon. Member for Huddersfield (Mr Sheerman) for securing this particularly timely debate on air pollution and its effect on public health. It is good to see the Public Health Minister in her place—sorry, it is not the Public Health Minister. She cannot reply because she has a mask on. She will update me on her role later. Swiftly moving on...

There can be little more important than the air that we breathe. We come into this world, we take those first gulps of air, and throughout our lives, it is the fresh air that we breathe that can make the difference between feeling good and not feeling good. We look for fresh air every day of the week. We want to go out into the countryside. The hon. Member for Huddersfield is right that in our country we think it is a fundamental right to be able to breathe clean air. It is important that the Government are already making great progress in sending strong messages to us, as a society and country, that clean air really matters, whether it is the commitment to ending the sale of petrol and diesel cars by 2030, or the package of measures in the recent Environment Bill.

The hon. Member for Huddersfield touched on the cost of pollution to our country—the £20 billion a year it is estimated to cost the UK economy and the many thousands of deaths caused by air pollution. One issue I want to touch on specifically is asthma and chronic respiratory conditions, which are a significant concern in my constituency, as I am sure they are for others. I have two children who have asthma—

Theo Clarke (Stafford) (Con): I absolutely agree that it is a fundamental right to breathe clean air. Stafford Borough Council has installed the first eco-post in the country to monitor air quality. Does my right hon. Friend agree, following COP26, with the journey to net zero, that it is important to invest in air monitoring in our constituencies?

Mrs Miller: My hon. Friend makes a good point, and she brings me to the importance of practical initiatives that the hon. Member for Huddersfield touched on in his contribution. It is important that the Government are committing money and making laws and that the strategic framework is there, but unless the initiative is taken on the ground by local authorities and others, those good intentions will be for nothing.

I want to touch briefly on three initiatives in my constituency that bring that to life. Hampshire County Council, working with local schools on “My Journey” travel planning, helps children raise the awareness of their parents of the importance of travel planning, so as to reduce the number of cars on the roads. St Mark's school in Hatch Warren has done a huge amount of work on that.

The “clear the air” Clean Air campaign, run by our local Basingstoke and Deane Borough Council, encourages people to stop idling engines outside schools, train

[Mrs Miller]

stations or wherever it might be, and promotes awareness of how important that can be in reducing particulate pollution. Breathe Easy, a charity in my constituency that works with the British Lung Foundation, supports people with chronic lung conditions and has an important role to play. Last, but by no means least, is the work done by the county council to ensure that we help reduce road congestion by improving public transport provision.

Those are practical things that I hope the Minister might respond to, and I hope that the Government can support other local authorities, and indeed my local authority in Hampshire, to continue such important initiatives.

4.54 pm

Kate Osamor (Edmonton) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir Gary. I thank my hon. Friend the Member for Huddersfield (Mr Sheerman) for securing this important debate.

There can be no more important time to be holding this debate. The battle to tackle the scourge of air pollution is inextricably tied up in all the other challenges that make up the climate and ecological crisis that should be front and centre in public discussion over the next couple of weeks. If the Government truly acknowledged the scale of the problem that is faced, particularly in urban areas such as my constituency, they would commit to far more radical action.

I would like to ask the Minister in summing up to consider the following three points. First, introduce legally binding targets for the UK to abide by the World Health Organisation's stricter clean air standards. The Government have to be as ambitious as possible. Without aiming to reach the gold standard as soon as feasible, they are simply letting the health of the public down.

Secondly, we need serious action to meet those standards, and that will require considerable Government finance. Traffic is the largest source of urban air pollution, and changes in the way we move around, particularly in cities, are vital. However, we cannot allow the cost of that to fall on ordinary people. The purchase of electric cars to replace polluting vehicles should be supported by the Government through grants and interest-free loans, and every citizen should be able to apply for those. It will be essential to continue investing heavily in public transport while keeping prices down, and to support the flourishing of active travel schemes since the covid pandemic, supporting the making of journeys by walking and cycling wherever possible.

Thirdly, the plans for a massive new incinerator in my constituency of Edmonton, which will emit 700,000 tonnes of carbon dioxide a year, are simply outrageous. I refuse to believe that the project would be allowed to go ahead if the incinerator were to be in a leafier, more affluent suburb. I ask the Minister to urgently meet me and campaigners to push for the Government to pause and review the project.

4.57 pm

Jane Hunt (Loughborough) (Con): It is a pleasure to speak before you today, Sir Gary. I congratulate the hon. Member for Huddersfield (Mr Sheerman) on this interesting and informative debate.

Clean air is essential for life, health, our environment and the economy. Air pollution has reduced significantly in the last decade, but there is still more to do. We have a clean air strategy, which details how the UK will go further and faster than the EU in reducing exposure to particulate matter pollution. It sets out a goal to halve the number of people living in locations with concentrations of particulate matter above the WHO guidelines. The Environment Bill will build on that strategy, setting two air quality targets by October 2022, a target to reduce the annual average level of fine particulate matter—or PM_{2.5}—and a further target to improve air quality. This action to improve air quality is backed up by £3.8 billion.

However, the Committee on the Medical Effects of Air Pollutants advises that a focus on long-term average concentrations of PM_{2.5} is the most appropriate to deliver public health benefits. That brings me to a point that fits in somewhat with what the hon. Member for Edmonton (Kate Osamor) said. I alert Members to the number of incinerators that are currently being planned or in the process of being built. I believe there are 18 along the M1 in one section alone. One such incinerator is in a leafier constituency than Edmonton—at Shephed in my Loughborough constituency. It is near to Shephed town centre, but it is also close to Loughborough University, my biggest employer and home to elite athletes from around the world, who obviously run about and do all sorts of things in the open air. Also 3,000 houses are expected to be built just across the roundabout from the incinerator. When I mention the incinerator with local and national organisations, they often say to me, "Yes, but the M1 creates quite a lot of pollutants already and therefore it is very difficult to monitor and understand the impact of that particular incinerator." However, as the hon. Member for Huddersfield said, we are bringing in electric and hydrogen vehicles, which I would like to see myself, and we would like to reap the benefits of those vehicles to lessen the impact of PM_{2.5} in Loughborough.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): My hon. Friend is making a very good speech and I congratulate the hon. Member for Huddersfield (Mr Sheerman) on bringing this debate. My hon. Friend makes a good point about incinerators. Would she agree that incinerators have often been built to deal with the undesirability of landfill, but that has created a perverse incentive in the system? If we are going to look at issues such as air pollution and clean air, we need to do that in a holistic way with other decarbonisation targets and priorities. That is what has created this problem in her constituency, and in others.

Jane Hunt: I absolutely agree. My hon. Friend could not have put it more precisely. That is the difficulty. Will the Minister consider the impact of the waste strategy at the same time as air quality? Air quality impacts on the future of our country and our constituents.

5.1 pm

John McDonnell (Hayes and Harlington) (Lab): At the moment, the Prime Minister is still at COP. There will be a major discussion around air pollution and what can be done globally, but we need to ensure we are

acting locally as well, so I want to raise the issue of air pollution in London overall, particularly in relation to Heathrow airport.

In the 1970s, when we agreed to the expansion of Heathrow airport through a fourth terminal, it was about jobs. At that point, we had our first inkling of what air pollution could do to the overall environment, as well as to individual health. Since then, we know so much more, which is why the inspector in the fifth terminal inquiry recommended that there should be no further expansion at Heathrow on environmental grounds. Yet the Government still have the potential for a third runway at Heathrow on their policy cards.

The latest information is that Heathrow and the area around it is the second major hotspot for nitrogen dioxide pollution in London. It breaches the legal limits, and has done for many years. To be frank, the roads around Heathrow are above the legal limits, including for PM_{2.5} and nitrogen dioxide, and have been for at least the last decade. We now know much more about the impact of that on the health of people in the west London area, with links to respiratory and heart conditions, and, thanks to work in the United States, we know that this is linked to cancer as well. We cannot go to COP and argue with other countries about the need to tackle air pollution while we allow such polluting expansions as the third runway. It is a stark example of the impact on people's health.

I have raised in this Chamber before the fact that children in my local schools have to hand their puffers into a special box and our teachers in Hillingdon have to be specially trained to deal with respiratory conditions in those children. If we are talking seriously about COP and the impact we are having on our environment, there has to be a time when we draw a line under Heathrow expansion. I believe that this is it.

We have never had a full health impact assessment of the third runway expansion. We have had some health impact analyses, all of which have said that there will be an increase in mortality and morbidity linked to respiratory and other conditions.

Dr Poulter: I agree with much of the sentiment of what the right hon. Gentleman says. He and I may disagree about some of the issues and merits or demerits of the recent Budget, but I am sure we will agree that the cut in air passenger duty for short haul flights was a slight disappointment. Does he agree with me that that is something that the Chancellor might want to reconsider?

John McDonnell: I made that point in the debate on the Budget, and I do not want to be repetitious. The issue for me is that any tax relief or tax reduction that either promotes further emissions or supports those polluting our environment is clearly contrary to Government policy, as far as I can see. On that basis, I hope that, as a result of COP, in the next few weeks or perhaps months the Government will firmly come down as opposed to further Heathrow expansion.

Sir Gary Streeter (in the Chair): I call Peter Dowd, who has until 5.10 pm.

5.5 pm

Peter Dowd (Bootle) (Lab): Thank you, Sir Gary. It is a real pleasure to serve under your chairship.

On COP, air quality and the impact on health and wellbeing, we have to drill down to the specifics. We can talk at a national, international or regional level, but it always comes down, in effect, to what is happening in local communities, with the cumulative effect in them. My local community, like those of my right hon. Friend the Member for Hayes and Harlington (John McDonnell) and other hon. Friends, is no different.

My area has a huge dock in it. The Liverpool docks are based in my constituency, and we have thousands of lorries coming down the road, the A5036, all the time—daily, of a night, at weekends. They are great pollutants, as are local cars and local transport. The council has had five monitoring stations in the area, and a sixth up and running, and since covid those levels have been dramatically down. That should teach us a lesson, which is that we have to get vehicles, whether they be lorries or cars, off the road.

I am really disappointed, notwithstanding COP and notwithstanding covid, that National Highways—it used to be Highways England, which used to be the Highways Agency, and I think it changes its name so we can never keep up with what it is at and hold it to account—persists with this old-fashioned view, which must be 20 years out of date, that if there is a problem with a road, the solution is to build another one. That is exactly what it is proposing in my constituency. It is proposing to build a £250 million road through Rimrose valley. Rimrose Valley Friends has done a great job opposing it, but there will be a £250 million road through the only green part of my constituency. It is possible to walk from one end of the constituency to the other in about 35 or 40 minutes, and the same in the other direction, so it is incredibly tight. Within it there is this lung, Rimrose valley, and what does the Highways Agency or Highways England or whatever it is called nowadays—National Highways—do? It is going to put a road through it, and that is not acceptable.

I ask the Minister to go back and speak to her colleagues and get that process halted—put a stop to it—pending the lessons learned from covid and pending COP. Departments and agencies pushing on with the same old hackneyed solutions will not be a resolution for any of us. The local authority is trying to do what it can, but it can only do so much. We have money for an air quality grant, which is helping us to educate, and we are working collaboratively as much as the local authority can, but it is not much. We need national action, and we need the Department to get a grip of National Highways and to call a halt to this programme. It should discuss it with local people, discuss it with the port and discuss it with all interested parties, and just stop this madness continuing, because it is not acceptable.

I will make a final point, if I may. We have that going on, but we have the docks—a major, massive dock—and they are only going to expand because there will be more containers coming in through the north, as another alternative, because of covid. What I want to do is to work collaboratively with everybody to stop the road being built. Let us rethink the issue. Because we are in a port area, we have scrapyards, but for the third or fourth time in the last few years we have had massive fires that are adding to the problem. It is not just about cars and lorries, but about all the other associated things. Let us get a grip of this, let us do better enforcement

[Peter Dowd]

and let us stop the cheating on emissions. Let us get to grips with this issue, stop that road going through and work with our communities to sort out the problem.

Sir Gary Streeter (in the Chair): Thank you, colleagues, for your co-operation. We now come to the Front-Bench speeches.

5.9 pm

Dave Doogan (Angus) (SNP): It is a pleasure to serve under your chairmanship, Sir Gary. I also thank the hon. Member for Huddersfield (Mr Sheerman) for securing the debate.

COP26, of course, is about our climate. Air pollution is a different, although not entirely unconnected, matter. COP is about cleaning up our act, and we certainly need to clean up our act when it comes to air quality. To that point, the hon. Member for Huddersfield mentioned Drax, and I say to the Minister that Drax is anathema to anybody with a passing concern for air quality. It is an almost dystopian process, which scars the landscape of the United States on an industrial scale, poisons the people who live near the mills with particulates in the air to make the pellets, and ships them half way around the world to England to be burnt. It would be bad enough without a Government subsidy, but with one it is absurd. I would like to know if the Minister agrees with that analysis.

Air pollution is known to kill many thousands of people around the world every year, while rendering many others subject to chronic illness as a result of PM₁₀ and increasingly—as our knowledge expands—PM_{2.5} and NO_x. Air pollution has been likened to cancer, asthma, diabetes and dementia. Children subjected to air pollution are much more likely to die in their first two years, or to attend A&E with chest infections.

It is good to hear from Members about what is happening in their localities around these islands. Two studies in Scotland have shown that on days of illegal levels of pollution there are significant increases in hospital admissions with new-onset heart and lung disease and blood clots in the arteries of the legs, when compared with days when the air pollution is within legal limits. It is estimated that air pollution costs the United Kingdom £20 billion per annum in health and social care. We know that those who are already disadvantaged are disproportionately affected. Often living in city centres or beside main roads, they have less access to green spaces that can absorb the noxious pollutants. They are also less able to afford a car, thus suffering the ill-effects without contributing to them—it is a social injustice.

In 2014, Health Protection Scotland estimated that air pollution caused about 1,700 deaths every year in Scotland alone. The number of vehicles on UK roads between 2010 and 2019 increased from 34 million to almost 39 million. On this point, I must make a very important clarification; not all vehicles are made equally. I know from my experience as a local authority councillor that although traffic volumes are relevant in terms of congestion, concentrations of pollutants and airflows through the streetscape and built environment, new vehicles are exponentially cleaner than those produced

more than 10 years ago. This is especially true of commercial vehicles such as buses. The Department for Transport should take a very serious look at being able to stop, test and seize vehicles. They can do it for vehicle excise duty, so why can they not do it for vehicles that are clearly belching out poisonous gas beyond the limits set at MOTs?

It is worth noting that outside our major cities, and certainly unlike in London where electric-hybrid buses and vehicles whirr by regularly, many bus services' profitability is so marginal that old vehicles are kept in service that, in air quality terms, are absolutely filthy and a patent threat to public health. We need to be able to take a whole-system view, so that the failure demand that our NHS has to meet is offset by seizing the opportunity cost of investing in infrastructure and equipment.

To this end, the Scottish Government aim to reduce car use by 20% by 2030, taking it back to levels last seen in the 1990s. Moreover, sustainable public transport is essential for the ambition to reach net zero. That is why the Scottish Government will have phased out the majority of fossil fuel buses by 2023, and will invest £120 million in zero-emission buses. The UK Government could learn a lot from Scotland in our shared pursuits of net zero and viable green recovery plans. For example, the UK Government must stop cutting electric vehicle access schemes, such as England's electric vehicle grants system. This has been further downgraded from £5,000 in 2011 to £4,500 in 2016; to £3,500 in 2018; to £3,000 in 2020; and now to £2,500 in 2021. This is the worst sort of swimming against the tide. Figures from electric vehicle charging website Zap-Map show that of the 21,000 public charging points in the UK, only 20% are free to use; that is 4,928 points, and 26% of these are in Scotland where around 60% are free to use. Electric vehicle drivers in Scotland benefit from almost 40 public charge points per 100,000, compared to fewer than 30 per 100,000 in England. Promoting and investing in active travel access is essential to drive down car usage. Scotland currently spends over £18 per head of population, compared with just £7 in England—more than 150% higher.

Lord Tebbit was mentioned earlier in the debate. To be very generous to the noble Lord, perhaps even to revise things, he did at one stage advise the nation to get on their bikes. I cannot remember exactly what he meant, but in public health terms he does at least have a contemporary point.

5.15 pm

Ruth Jones (Newport West) (Lab): It is a pleasure to serve under you today, Sir Gary, in what has been a collegiate and consensual debate. While the world's eyes are rightly looking to Glasgow, I am grateful to my hon. Friend the Member for Huddersfield (Mr Sheerman) for securing this important and timely debate. He has been a Member since 3 May 1979, which translates into 15,524 days, and he still has his finger on the pulse.

The House has heard me say before that air quality is one of the most important policy areas and issues facing all our constituents the nation over. The facts are there for us all to see. They all show just how damaging toxic air is to our communities and its disproportionate impact on the health and wellbeing of our people.

Coronavirus has highlighted the inequalities and disproportionately impacted on those living in the areas with the worst air.

Air pollution is bad for everyone—we know that—but for the 12 million people in the UK who live with a lung condition such as asthma or chronic obstructive pulmonary disease, it poses a real and immediate threat to their health. A spike in air pollution can lead to symptoms getting worse, flare-ups and even hospitalisation. We know from the coroner who investigated the death of Ella Kissi-Debrah that it can lead to death, too. There is robust evidence of a clear link between high levels of air pollution and increased numbers of patients with breathing problems presenting at hospitals and GPs' surgeries.

I was delighted earlier this year to co-host Labour's clean air summit with the shadow Secretary of State. In the first summit of its kind to be hosted by a major party, we set out our demands for a clean air Act. Labour's clean air Act, which we will deliver when we form a Government, will establish a legal right to breathe clean air by ensuring the law on air quality is at least as strict as the World Health Organisation guidelines, with tough new duties on Ministers to enforce them and grant new powers to local authorities to take urgent action on air quality. That stands in stark contrast to the Conservative party and would deliver improved air quality across England.

Conservative inaction has allowed catastrophic levels of air pollution to build up across the country, especially in the most deprived areas of our big cities. Indeed, this Government's refusal to take even the smallest steps to tackle illegal levels of air pollution leaves local government on the frontline in the fight for better air quality.

It is not just me expressing concern at the inaction of this Government: it is felt by Members of the Minister's party, too. I note the speeches of the hon. Members for Tiverton and Honiton (Neil Parish) and for Bromley and Chislehurst (Sir Robert Neill) and indeed that of the hon. Member for Newcastle-under-Lyme (Aaron Bell) on the Environment Bill just two weeks ago. I just wish that they had resisted the pressure of the Whips and voted for Labour's amendment to write the WHO guidelines into the Bill.

Last week, I met Rosamund, the mother of Ella Kissi-Debrah, who died in 2013. We spoke about the need for urgent action to clean our air and the fact that COP26 could set an example—a British-made example—to generations to come. In December 2020, the coroner ruled that Ella had died as a direct result of air pollution, as we have heard already today. The coroner said that he believed that air pollution made a material contribution to Ella's death. Like so many, she was exposed to illegal levels of nitrogen dioxide and particulate matter in excess of WHO guidelines. I would like the Minister to explain why the Government voted against Labour's attempts to clean our air by writing the guidelines into the Environment Bill.

I pay tribute to the many parents, young people, experts, campaigners and elected representatives here today who are working to clean our air and save our lives. I look forward to working with my hon. Friend the Member for Huddersfield and others to deliver Labour's clean air Act, and the Minister is of course very welcome to join us, because the future of the planet and the lives of our people depend on it.

Sir Gary Streeter (in the Chair): I call the Minister, Jo Churchill, to respond. Could she kindly leave one minute for Mr Sheerman to wind up at the end?

5.19 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jo Churchill): Indeed I will, Sir Gary, and thank you very much for calling me to speak. It is a pleasure to serve under your chairmanship.

I thank the hon. Member for Huddersfield (Mr Sheerman) for raising this issue; as he said, this debate is timely and the issue is important to each and every one of us. Securing it while world leaders are coming together for the planet in Glasgow shows just what a consummate professional he is, dovetailing the debate such a timely way. I wish him well with his own health.

We are all concerned about the impact of air pollution on public health and we are hosting the COP26 summit at a turning point for both the planet and health. We have been making progress. However, over the course of the UK presidency of COP26, we need to see further progress on commitments to secure global net zero carbon emissions by the mid-century. It will be a challenge; we need to see countries coming forward with ambition. Success at the summit and beyond will rely on all countries rallying behind the common goal of rapidly reducing carbon emissions and protecting the planet. Although COP26 is arguably focusing on greenhouse gases and not air pollutants, we should seize the opportunity to reduce the emissions of other pollutants from the same sources, because, as everybody has said, there is a lot of crossover here.

Air pollution in the UK has reduced significantly over the last decade, but there is definitely more to do. For example, emissions of fine particulate matter, or PM_{2.5}, have fallen by 11% and nitrogen oxide emissions are at their lowest level since records began. None the less, air quality is still the top environmental risk to human health in the UK and there is absolutely no room for complacency.

We heard from many Members about the challenges to health that air pollution brings. There is lots to do and I agree that the use of new technology—whether that is the use of fats in lorries, or hydrogen technology, which the Government have been investing in even in the last week, through the hydrogen transport programme—means that we need to harness the best of British, to ensure we make the right progress.

That is why the UK is continuing to take urgent action to curb the impact of air pollution on citizens and communities through the Environment Bill and the clean air strategy. The action that we set out in the clean air strategy will reduce the cost of air pollution to society by £1.7 billion every year from 2020, rising to £5.3 billion every year from 2030.

My Department cannot achieve the transformation alone; there is no single, one-size-fits-all silver bullet that will solve the problem of air pollution. That is why the clean air strategy outlines a comprehensive programme of action across all parts of Government. We have heard about the health challenges, the transport challenges, challenges about where people live—local authority challenges—and the idling of cars, which local authorities obviously have a power over. Indeed, we have heard about the beneficial work being done in both Basingstoke

[Jo Churchill]

and Stafford on these issues, to help to empower communities to have better air quality. However, this process is about us all working together, because transformational change can only be achieved through close collaboration with other parts of Government.

Furthermore, there is a vital role for broader leadership from the health and environmental sectors because much of what has been spoken about today also relates to how we recycle, how we use our waste and how we might reuse things. The hon. Member for Edmonton (Kate Osamor) and my hon. Friend the Member for Loughborough (Jane Hunt) both mentioned that point, referring to the use of incinerators; if I have time, I hope to come on to incinerators.

This issue is about the business sector, service providers and local authorities helping to build acceptance for the bolder actions that must be taken to tackle the health impacts of air pollution as a major public health imperative. The hon. Member for Bootle (Peter Dowd) spoke about not having a particular road. However, during the covid crisis we actually had low-traffic neighbourhoods, but we found that traffic diverted to other parts of the town or area. There is not an ideal off-the-peg solution.

We also looked at the fact that, although nitrogen oxide levels diminished, as has been said, the reduction in PM_{2.5} particulate matter did not change. It is actually much more complex than it is often presented to be.

The landmark Environment Bill will improve air quality by establishing a duty to set two new legally binding targets to reduce that fine particulate matter. We are developing two targets: a concentration target and a population exposure reduction target. That is what the clear air zones are about. Arguably, Huddersfield does not face the same air quality challenges that we might have in London, Manchester or Bath, or any city that is looking at putting in place a CAZ. That unique dual approach is strongly supported by our expert committees—the air quality expert group and the committee on the medical effects of air pollutants—and it will be an important part of our commitment to drive forward tangible and long-lasting improvements to the air breathe. We will consult on how to bring forward those groundbreaking targets next year.

As part of the information we take from experts, waste incineration companies must comply with strict emission limits under the environmental permitting regulations. They cannot operate without a permit. Emissions from energy from waste are monitored. We consult with Public Health England on every application, and its position on incineration is that a modern, well-run and regulated incinerator is not a significant risk to public health. We have to get rid of the challenge of rubbish.

The Environment Bill will completely revise the local air quality management framework to create a more strategic structure that will enable local authorities to take more effective action. It will also deliver significant improvements to public health by ensuring that local authorities have more effective powers to tackle emissions from domestic burning, which is a key source of harmful fine particulate pollution, as well as the idling that was mentioned.

Dave Doogan: Will the Minister give way?

Jo Churchill: No. I am really sorry, but I have only one minute left. The Bill introduces new powers to compel vehicle manufacturers to recall vehicles and non-road mobile machinery if they are found not to meet the environmental standards that they were approved to meet—I think that answers a question that was raised earlier. It will enable the Government to compel manufacturers to recall vehicles and non-road mobile machinery for failures in their emission control.

New legislation came into force across England earlier this year to reduce PM_{2.5} pollution by phasing out the burning of small volumes of wet wood and the sale of all house coal. However, some residents still rely on coal fires, so we have to work our way through those challenges.

The Government allocated £880 million to tackle nitrogen dioxide exceedances under the 2017 air quality plan for nitrogen dioxide. This year, the first clean air zones were introduced in Bath and Birmingham, which deliver targeted action to improve air quality and health and to support economic growth.

We are working hard to provide citizens with the information they need to protect themselves. I also have a Breathe Easy group. Those groups do great work, but we have to make sure that we work with experts so that we can get really timely information to people such as, “If air pollution is low, carry on as usual. If it is high, and you have asthma, avoid vigorous activity”. To do that, we need to do the monitoring that we are now scaling up, so that we have a good alert system to help protect people. That system was revamped in 2019.

There is just about a minute left. There is plenty more that we are doing and that we will carry on doing. We have different biomass anaerobic digestion issues and, as my neighbour and hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) said, we have to make sure that policies do not fall against each other.

In conclusion, taken together, this is a comprehensive package. However, we have to do more by seizing opportunities and addressing risks. We need to take action to tackle climate change and air pollution. We are committed to cleaning up our air and carrying on our work.

Sir Gary Streeter (in the Chair): Mr Sheerman has the final word.

5.29 pm

Mr Sheerman: It has been a very good debate, as it always is with you in the Chair, Sir Gary. The fact of the matter is that we do not want too little, too late. We want it now. Children are being poisoned; 3 million children in our own country are being poisoned by fumes mainly coming from air pollution from roads. We have some short-term things. Yes, we need international and global leadership at COP26, but we need local empowerment and we need it now.

Sir Gary Streeter (in the Chair): Order.

5.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Tuesday 2 November 2021

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

National Security and Investment Act 2021: Call-in Power

The Secretary of State for Business, Energy and Industrial Strategy (Kwasi Kwarteng): The National Security and Investment Act 2021 protects the public from potential risks. It bolsters the UK's status as an attractive place to invest by providing more efficient clearance processes for relevant acquisitions and more certainty and transparency for investors and businesses. It is a proportionate response to modern developments in international investment.

It will also ensure foreign direct investment projects can continue to boost jobs and stimulate the economy in every corner of the UK, as the vast majority of deals will be able to proceed without delay.

The Act provides for a call-in power which enables the Government to screen qualifying acquisitions for national security risks. In order to use the call-in power, the Secretary of State must—in accordance with section 3 of the Act—lay before Parliament, and publish, a statement on the expected use of the call-in power. This will provide clarity and certainty for businesses and investors on the circumstances in which national security risks are considered more likely to arise from qualifying acquisitions.

The Government consulted on a draft of the statement from 20 July to 30 August, in line with the commitment to consult given during parliamentary passage of the Act. I am grateful for the constructive responses which we received from businesses, investors, law firms and others.

I am today laying the statement before Parliament and publishing it alongside the Government's response to the consultation. This fulfils the requirements of the Act and enables the call-in power to be used once the Act fully commences on 4 January 2022.

The statement should be read alongside other guidance documents which the Government have published about the NSI system, and further guidance will be published in the coming weeks.

I will place a copy of the Government response to the consultation on the draft statement for the purposes of section 3 in the Libraries of both Houses.

[HCWS368]

Register of Beneficial Owners of Overseas Entities Update

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): My noble Friend the Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Lord Callanan) has today made the following statement:

The Government committed, via section 50 of the Sanctions and Anti-Money Laundering Act 2018, to report to Parliament annually on the progress that has been made towards putting in place a register of beneficial owners of overseas entities owning land in the UK—"the overseas entities register".

The overseas entities register is one of a number of proposed corporate transparency reforms which together will play an important role in underpinning a strong, transparent and attractive business environment in the UK while reducing the opportunities for bad actors to abuse our systems and controls.

Since last updating Parliament, in July 2020, the Government published their response to their landmark consultation on reforming Companies House. The response, published in September 2020, set out the Government's proposals to boost Companies House's potential as an enabler of business transactions and economic growth, while giving it a bigger role in combating economic crime. The far-reaching reforms include verification of the identity of people who manage or control companies, and anyone else submitting filings, utilising the latest technology; greater powers for Companies House to query and challenge the information submitted to it; and the effective protection of personal information provided to Companies House. Three further consultations were published in December 2020, seeking views on the finer details of the reform package.

These reforms amount to the largest change to our system of setting up and operating companies since the companies register was created over 170 years ago.

The UK continues to lead the global fight against illicit finance and this register will strengthen our already impressive controls. The Financial Action Task Force completed a landmark review of the UK's regime for tackling money laundering in December 2018, concluding that we have some of the strongest controls in the world.

The Government intend to introduce legislation to Parliament as soon as parliamentary time allows.

[HCWS366]

TREASURY

Disclosure of Asset Sale Completion

The Economic Secretary to the Treasury (John Glen): I can confirm today the completion of the sale of the share capital of Bradford & Bingley (B&B) plc and NRAM Ltd, returning both companies to private ownership.

In February 2021, the Government announced the agreement of a transaction to sell the share capital of B&B and NRAM, and their remaining loan assets, to a consortium of Citibank and Davidson Kempner Capital Management. The sale of the loan assets to Citibank completed in March. Following the receipt of regulatory approvals from the FCA, the sale of the companies to Davidson Kempner completed on 29 October.

Accounting for final adjustments ahead of completion, this transaction generates a total consideration of £5.2 billion for the Exchequer.

The completion of this transaction marks a significant milestone in the Government's work to divest the institutions and assets brought into public ownership as a result of the 2007-08 financial crisis.

[HCWS367]

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Tuesday 9 November 2021**

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