

**Wednesday  
15 March 2023**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES  
(HANSARD)**

**Wednesday 15 March 2023**

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# House of Commons

*Wednesday 15 March 2023*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### SCIENCE, INNOVATION AND TECHNOLOGY

*The Secretary of State was asked—*

#### Domestic Space Industry

1. **Vicky Ford** (Chelmsford) (Con): What steps her Department is taking to support the domestic space industry. [904134]

**The Minister of State, Department for Science, Innovation and Technology (George Freeman):** It is a great privilege to open the batting for the new Department for Science, Innovation and Technology. Not since the white heat of technology under Harold Wilson have a Government put more money into research. I know the Opposition will welcome this Department.

No sector embodies the opportunity more than space. That is why, in the past 10 years, we are proud to have doubled the size of the sector to £16 billion. We set out a £10 billion plan for the next decade. Through regulatory leadership, insurance and finance in the City, £400 million in earth observation and our cluster programme, we intend to grow this economy all around the country.

**Vicky Ford:** As a science geek, I love this new Department. The Chelmsford-based company Teledyne e2v is the world leader in space imaging. When the earthquake hit Turkey and Syria, its technology from way up there in space pinpointed the exact location of collapsed businesses, sent rescuers to the spot and saved lives. It also provides crucial monitoring of our planet's air, oceans and volcanos via the Copernicus programme. The European Space Agency wants to continue to use e2v tech for the next generation of Copernicus satellites, so will the UK continue to participate in Copernicus post-2024 so that companies like e2v can continue to sell to—

**Mr Speaker:** Order. The right hon. Lady, as much as she might be a science geek, ought to know that questions need to be shorter to give somebody else a chance. Put in for an urgent question. Come on in, Minister.

**George Freeman:** I pay tribute to Teledyne, which is a great company. That is why we have put £1.8 billion through the European Space Agency, so that little companies like that here in the UK can benefit. On Friday, I visited Space East. We support the cluster it is a part of. Following the Northern Ireland protocol agreement, the Windsor framework, we are actively

discussing with the EU the membership of Horizon, Copernicus and Euratom, and funding earth observation programmes in any case.

**Andrew Gwynne** (Denton and Reddish) (Lab): I welcome anything that focuses on science and technology. It has to be good for our country. On the domestic space industry, I very much welcome what the Minister has just said. However, if we are to grow the sector, we need the next generation of mathematicians, scientists, engineers and computer programmers. What is he doing to ensure that the education and training system brings forward the workforce for tomorrow?

**George Freeman:** That is an excellent question because skills are key. All around the country we are growing space clusters. Just yesterday we launched Leicester Space East, which is part of the national network. We prioritised skills in the science and technology framework, published last Monday. The UK Space Agency has an active skills programme and we are working with UKSpace to set out a map of the jobs that are being created—380,000 in this economy over the next 10 years. We intend to ensure that our higher education and further education sector is supplying them.

**Greg Smith** (Buckingham) (Con): The Westcott Space Cluster in my constituency is a tour de force of innovative excellence, with a particular focus on ensuring small and medium-sized enterprises can use open access testing facilities, such as through the satellite applications catapult DISC. Does my hon. Friend agree that that open access support is essential? Will he visit Westcott to see it for himself?

**George Freeman:** Yes and yes.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): Next month, I will be joining the team from HyImpulse at the SaxaFord spaceport in Shetland to see the hot fire test of its new HyPLOX75 motor. Like many companies in the sector, it is very keen to know when we will get an announcement regarding the space flight phase 2 programme. When will we get that announcement? If we are not going to go ahead with that programme, what will the Government be doing to encourage companies like HyImpulse to do their business in Scotland?

**George Freeman:** I was in Scotland just a few weeks ago meeting the team behind the Shetland and Sutherland launch. We are committed to launch in both Cornwall and Scotland. We are providing funding to support those two spaceports. I will happily come and visit when I am next up. In Scotland, Buckinghamshire and all around the country, we are growing space clusters to give jobs and opportunities to a new generation.

#### Commercialisation of Science and Technology Research: North-east England

2. **Liz Twist** (Blaydon) (Lab): What steps she is taking to support the commercialisation of science and technology research in North East England. [904135]

**The Minister of State, Department for Science, Innovation and Technology (George Freeman):** We should all be incredibly proud that nowhere is driving the science and technology revolution more than the north-east economy.

It was a powerhouse of the previous industrial revolution and is that again now. I was recently in Newcastle visiting the University of Newcastle and Northumbria University. Spinouts from Newcastle raised £47 million, which is a record. The NETPark North East Technology Park, home to 65 growing companies, has just announced its third phase. It is home to Kromek, one of our top sensor companies. We put £5 million into the Northern Accelerator, a collaboration between six universities, and we have nine catapult centres in the north-east. We are driving the north-east economic renaissance.

**Liz Twist:** The north-east is a centre of science excellence in offshore wind, life sciences, batteries and much more. We are home to 3,500 tech firms, which bring £2 billion to our local economy. European structural funds provide support to small and medium-sized enterprises to start up, innovate and grow, but all that stops at the end of this month. What will the Minister do to ensure that that support for development continues?

**George Freeman:** That is an excellent question. We have set out the shared prosperity fund, which is now fully deployed around the country. We have made the commitment to increase domestic research and development outside the greater south-east by 40% between now and 2030, and 50% of Government R&D in the old Department for Business, Energy and Industrial Strategy was outside the greater south-east. I do not want to pre-empt the Chancellor, but this afternoon there will be announcements about how we support regional science and technology growth.

**Mr Speaker:** How would you know that?

**Michael Fabricant** (Lichfield) (Con): Nissan in Sunderland is one of the most productive plants in the whole Nissan network. What meetings has the Minister had with Nissan about its work?

**George Freeman:** Since arriving in this new portfolio I have not had any meetings with Nissan, but as a Department we are actively picking up the clean tech piece and the future energy technologies piece, and we are working with a range of companies, as well as with the Department for Business and Trade and the Department for Energy Security and Net Zero.

**Mr Speaker:** I call the shadow Minister.

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): Across the country, our regions are home to thousands of brilliant science start-ups and spin-outs, but they are being hit by a Tory quadruple whammy: slashing R&D tax credits, leaving with them an average of £100,000 less to spend on research a year; a £120-million cliff-edge loss of European regional development funding; lack of access to capital—the UK has the lowest business investment in the G7; and continuing uncertainty over association with the £95-billion Horizon Europe, the biggest science fund in the world. Which of those barriers to growth for our innovative businesses will the Minister sort out today?

**George Freeman:** It is a great shame that the shadow spokeswoman is so determined to talk the UK down. The truth is that in the last 10 years, the life sciences

sector has grown 1,000%. The north-east, where she is from, is driving that. I do not recognise that the UK sector is being held back in the way that she says, but the Chancellor will say more this afternoon about the tax and business environment. The reason that R&D tax credits are up so much is that our innovation economy has gone from 1.7% of GDP to 2.8%. That is a huge success over the last 10 years, and we are responsible for it.

### Internet Access: Low-income Families

3. **Mark Fletcher** (Bolsover) (Con): What steps she is taking with Cabinet colleagues to help low-income households access the internet. [904136]

**The Minister of State, Department for Culture, Media and Sport (Julia Lopez):** We want fantastic connectivity in every part of the UK. We have worked to ensure that a range of low-cost social tariffs are available in 99% of the UK for as little as £10 a month, which is highlighted in our Help for Households campaign and in our work with the Department for Work and Pensions, to make them easier for low-income households to access. We are also working on digital skills with the Department for Education.

**Mark Fletcher:** While we continue to make progress on this front, could the Minister remind utility companies, particularly British Gas, that not everybody has access to a computer and the internet? It would be helpful if its services reflected that.

**Julia Lopez:** I thank my hon. Friend for raising his concerns about British Gas. As the digital infrastructure Minister, I want to ensure that everyone has great access to the internet, but he might be interested to know that suppliers with more than 50,000 customers must allow people to pay energy bills in cash or on prepayment, and talk to them over the phone.

**Alison McGovern** (Wirral South) (Lab): What assessment has the Minister made of the impact of cryptocurrency technologies on low-income households?

**Julia Lopez:** I confess that cryptocurrency is not in my portfolio, but I am happy to refer the hon. Lady to a Minister who may be able to answer that.

### Research and Development Sector

4. **Robert Courts** (Witney) (Con): What steps her Department is taking to support the research and development sector. [904137]

9. **Tim Loughton** (East Worthing and Shoreham) (Con): What steps her Department is taking to support the research and development sector. [904145]

**The Secretary of State for Science, Innovation and Technology (Michelle Donelan):** Backed by our commitment to increasing public expenditure on research and development to £20 billion by 2024-25, we have launched our plan to cement the UK's place as a science and technology superpower by 2030, fostering the right conditions for industry, innovation and world-leading research.

**Robert Courts:** The threat posed by the collapse of Silicon Valley Bank posed a huge challenge to science and tech businesses in Oxfordshire. Can the Minister update the House on what she has been doing to help those companies, so that they no longer have to look into the abyss?

**Michelle Donelan:** My hon. Friend is absolutely right that the futures of so many companies, and thousands of UK jobs, were at stake. My Department worked tirelessly with the Treasury to facilitate a solution. In doing so, we have protected our life sciences and tech sectors, which not only drive economic growth across the country but deliver life-saving products.

**Tim Loughton:** Research and development is particularly resource intensive and in need of raising capital, so what are the Government doing to help tech and life science companies raise money on the London markets, which has been few and far between recently?

**Michelle Donelan:** We are committed to making the UK the most attractive place for innovation and businesses to start and grow. The Treasury has made significant reforms to improve London as a listing destination, and we continue to engage with sectors to secure the most innovative companies in the UK stock exchange.

**Dan Jarvis** (Barnsley Central) (Lab): Weston Park Cancer Centre is one of only four specialist cancer facilities in the country and is at the forefront of groundbreaking research. Investment is critical to its ongoing success in cancer research. I recently met a Health Minister to discuss opportunities to invest in Weston Park. Will the Secretary of State look at what can be done to invest in that incredibly important technological facility?

**Michelle Donelan:** The Government are putting their money where their mouth is. We are determined to ensure that we are a science and tech superpower by 2030. I would be delighted to meet the hon. Gentleman to discuss his own constituency in detail.

**Christina Rees** (Neath) (Ind): The Secretary of State is aware of the global centre of rail excellence being developed in my Neath constituency, which will become the UK's first net zero rail testing facility, a shared campus for rail innovation, research and development, testing and verification for mainline passenger and freight railways, developing next-generation solutions for the rail sector. The UK Government have pledged £30 million for the GCRE, of which £20 million has been received for the construction phase. Will the Secretary of State reconfirm her Government's commitment to deliver the remaining £10 million for research and development?

**Michelle Donelan:** I am unsure as to that exact question, but this Government are investing a great deal—£20 billion by 2024-25. We are determined to ensure that we become a science and tech superpower. This Department has already hit the ground running, produced a science and tech framework, and announced £370 million of additional funding. I am happy to meet the hon. Member to discuss in detail exactly the point that she was trying to raise.

**Mr Speaker:** I call the spokesperson for the Scottish National party.

**Carol Monaghan** (Glasgow North West) (SNP): Last week, Stephen Phipson, head of Make UK, said that Horizon had

“always been one of those areas of the EU budget where the UK gets more out than it puts in”.

While the Secretary of State dithers about whether association is value for money, researchers are leaving the UK for better opportunities abroad, where they can develop rich collaborations and enjoy freedom of movement. The issue needs urgent action, so when will we have a decision on whether the UK will associate to Horizon?

**Michelle Donelan:** We have not changed our position regarding Horizon and association was in the UK-EU trade and co-operation agreement. We welcome the EU's recent openness to the discussion, after two years of delay, and I discussed the matter directly with the EU ambassador yesterday.

#### Leaving the EU: Employment Levels in the Science and Technology Sector

**5. Steven Bonnar** (Coatbridge, Chryston and Bellshill) (SNP): What assessment she has made of the impact of the UK's departure from the EU on levels of employment in the science, innovation and technology sector.

[904138]

**The Secretary of State for Science, Innovation and Technology (Michelle Donelan):** My Department's work will ensure that we are breaking down barriers and levelling the playing field, so that more women can enter STEM jobs in research and innovation. This includes UK Research and Innovation funded STEM ambassadors in schools and, just last week, the Government announced £150,000 funding to support women who are taking career breaks and need skills to get back into STEM careers.

**Steven Bonnar:** Thanks to Brexit, universities in the UK have lost almost £1 billion in EU funds, with 115 cancelled grants last year alone. Unfortunately, many EU-based workers, such as researchers, now feel unwelcome because of the United Kingdom's hostility and have followed the funding out of the UK. My constituent Ms McCallum's long-term partner is French. He is unable to secure a visa to work in our STEM sector. The complexities of the system, and the attached costs, are making it impossible for him to choose to reside in Scotland. What steps is the Secretary of State taking to reduce visa costs for skilled workers, incentivising them to come to the UK and set up home here?

**Michelle Donelan:** We do not for one moment underestimate just how important it is to attract the best and the brightest to the UK, to work in science and technology and to study here. Just last week, we announced the global talent network for AI. Since 2020, this Government have created the global talent visa. We have created new routes such as the high-potential individual route, and we have the scale-up route. It is this Government who are delivering.



**Mr Speaker:** I call the shadow Minister.

**Alex Davies-Jones** (Pontypridd) (Lab): Since our departure from the UK—[*Laughter.*] Not yet! Since our departure from the EU, the UK needs to forge our own regulatory path to provide certainty to businesses investing in the UK, as well as providing confidence to consumers. However, UK law has failed to tackle the harms, including fake reviews and subscription traps, that we all now encounter online. The Government claim that they are taking action, yet we still have no legislation. Another delay, another broken promise—can the Secretary of State tell us when we can expect to see the digital markets, competition and consumer Bill finally laid before Parliament?

**Michelle Donelan:** We have committed to delivering it in this Session. Further details will be announced by the Leader of the House in due course.

**Sir Oliver Heald** (North East Hertfordshire) (Con): Will the Secretary of State pay tribute to the quality of the workforce we have in the UK for science and technology? In north Hertfordshire, companies such as Johnson Matthey are doing fantastic work in the environmental field, and neighbouring Stevenage has Airbus and other wonderful businesses. Will the Secretary of State do all she can to get us back into the EU programmes?

**Michelle Donelan:** It is absolutely because we have the best and the brightest in this country that we can lead the way. I pay tribute to the people who work in my right hon. and learned Friend's constituency; I look forward to visiting them as soon as I can. As I have said, our position on Horizon has not changed.

### STEM Jobs: Women

6. **Gill Furniss** (Sheffield, Brightside and Hillsborough) (Lab): What steps she is taking to increase the number of women in science, technology, engineering and mathematics jobs. [904139]

**Mr Speaker:** Who's answering? One of you, please—the Secretary of State will do.

**The Secretary of State for Science, Innovation and Technology (Michelle Donelan):** Since 2016, Innovate UK's women in innovation in programme has been empowering women in innovation. Since the launch of the campaign, the number of women leading applications for grants to Innovate UK has risen by 70%.

**Gill Furniss:** Today, women make up less than 30% of the STEM workforce, and the Government's own findings reveal vast inequalities for women in the R&D sector. The creation of this Department presents a key opportunity to tackle the issue head on, so will the Secretary of State commit to bold action to finally reach a 50:50 STEM workforce?

**Michelle Donelan:** We made this a key part of our science and technology framework because it is absolutely essential that we are empowering and enabling individuals and creating those skills from the off. UKRI has already funded STEM inspiration programmes such as the STEM

ambassadors. There are a lot of initiatives that I could take the hon. Lady through, but obviously we are short on time. We are trying our very best to encourage women and to level the playing field.

**Dame Maria Miller** (Basingstoke) (Con): The Secretary of State for Business and Trade welcomed a trade delegation of more than 40 women who run technology and science businesses in Canada at a business event at Lancaster House yesterday. Does my right hon. Friend agree that support for women in tech across the globe should be an important part of all our international trade work?

**Michelle Donelan:** I absolutely agree, and I believe that the event yesterday went very well. It is also important that we look at our global role models who are British, such as Professor Dame Angela McLean, who will become the first female Government chief scientific adviser, Dr Nicola Fox and Rosemary Coogan. All those people are flying the flag for women in STEM.

### Topical Questions

T1. [904149] **Siobhan Baillie** (Stroud) (Con): If she will make a statement on her departmental responsibilities.

**The Secretary of State for Science, Innovation and Technology (Michelle Donelan):** DSIT was created with a single mission: to drive innovation that will deliver improved public services and new, better-paid jobs and grow the economy. Our Department will do things differently and will be a model for how modern Government Departments should run.

We have hit the ground running. Within just a few weeks of setting up, we have set out a comprehensive framework for science and technology, announced £370 million in new spending and introduced the Data Protection and Digital Information (No. 2) Bill. We have worked with the Chancellor to take decisive action to facilitate a deal to save the UK arm of Silicon Valley Bank, protecting hundreds of jobs. That is an extraordinary amount for any Department to achieve, let alone in just five weeks, and it is just the start of a constant drumbeat.

**Siobhan Baillie:** I was thrilled that my verification campaign to tackle anonymous abuse was successful with the Government, but I have always been clear that whether someone is verified needs to be made obvious on social media. Does my right hon. Friend agree that that is important to social media users? How is the Online Safety Bill progressing through the Lords?

**Michelle Donelan:** The Bill will soon be in Committee in the House of Lords, and we are committed to ensuring that it is passed before the end of the current Session. I pay tribute to the excellent work that my hon. Friend has done in this regard. As she knows, we are committed to dealing with abuse, and the Bill places a duty on the largest online services to give adult users the option of verifying themselves.

**Mr Speaker:** I call the shadow Secretary of State.

**Lucy Powell** (Manchester Central) (Lab/Co-op): Three weeks ago, the Secretary of State said that the use of TikTok on Government devices was "a personal choice". At the weekend, it was reported that there was to be a

review of TikTok, and this week the Prime Minister said that he was considering a ban. Can the Secretary of State tell us whether this is indeed a personal choice, or whether TikTok on officials' devices poses a security risk?

**Michelle Donelan:** The security of UK data is a priority, and our experts continue to monitor the threats that are posed to that data. The Government's security group, led by the Cabinet Office, is reviewing the evidence base for action on Government devices. Let me add that what I actually said was that, in terms of the general public, it is absolutely a personal choice, but because we have the strongest data protection laws in the world, we are confident that the public can continue to use it. That is very different from what the hon. Member reported.

T3. [904151] **Mrs Flick Drummond** (Meon Valley) (Con): In communities such as Cheriton and Bramdean in my constituency, there are people who have not been able to take part in the broadband voucher scheme because they are connected to a different cabinet from their neighbours, which in some cases is only a few metres from their door. Can my hon. Friend assure me that those communities will be able to benefit from the new procurement as soon as possible?

**The Minister of State, Department for Culture, Media and Sport (Julia Lopez):** I am pleased to say that premises in Meon Valley are included in our live gigabit procurement for Hampshire, and we expect to award the contract in June this year. We have paused the applications for vouchers to avoid doubling up on public subsidy, but we are happy to look into any specific cases that my hon. Friend wishes to raise via Building Digital UK.

T2. [904150] **Janet Daby** (Lewisham East) (Lab): During the last Horizon Europe funding round, researchers, scientists and universities in London received nearly £2 billion, but the Tories have overseen two years of uncertainty, delay and broken promises, harming researchers and businesses in my constituency and across the capital. When will the Secretary of State do what Labour would do, and secure association to the world's biggest science funding programme?

**The Minister of State, Department for Science, Innovation and Technology (George Freeman):** Over the last two years, not only have we continued to negotiate in good faith to see through the agreement that we made to join Horizon, Copernicus and Euratom, but we have continued to fund the sector—with just over £1.2 billion, including £370 million this week and £480 million before Christmas—and we look forward to discussing the European associations shortly.

T5. [904153] **Sir Edward Leigh** (Gainsborough) (Con): The Government have announced that they are to create a wonderful new nuclear fusion centre at West Burton. This is the technology of the future, and West Burton is not five miles from the town of Gainsborough, so will the Government rename the research centre West Burton Gainsborough to celebrate our wonderful town?

**George Freeman:** My right hon. Friend has made an excellent point. It is a very exciting facility, which will see this country lead in the industrial deployment of fusion connectivity to the grid.

**Mr Speaker:** I call Karl Turner. He is not here, so I call Jonathan Gullis.

T7. [904156] **Jonathan Gullis** (Stoke-on-Trent North) (Con): Will the Secretary of State meet Councillor Abi Brown and me to see the power of Silicon Stoke that is ready to be unleashed, alongside our fantastic gigabit broadband roll-out, our world-class university, Staffordshire University, and, of course, the digital T-levels that we already have on display, so that we can truly create those fantastic new jobs of the future?

**Michelle Donelan:** I would be delighted to do so. My hon. Friend is a great ambassador for his constituency, always pushing and promoting the great work that is being done.

**Mr Tanmanjeet Singh Dhesi** (Slough) (Lab): According to Tech Nation, Slough, which is the silicon valley of the UK, has experienced a 536% increase in the formation of digital start-ups in the last decade. Given that artificial intelligence is of strategic importance to the UK, why have the Government cut research and development tax credits for small and medium-sized enterprises?

**The Parliamentary Under-Secretary of State for Science, Innovation and Technology (Paul Scully):** The hon. Gentleman will know that a review of R&D tax credits is being conducted. The Chancellor will be speaking later, but because of Tech Nation and the work that has been done over the last decade, we have a great tech ecosystem to build on.

**Miriam Cates** (Penistone and Stocksbridge) (Con): A year ago, the Department announced that Penistone had been chosen for the UK's first trial to deliver high-speed broadband through water pipes. The fibre in the water project, which is happening in partnership with Yorkshire Water, is of huge interest to my constituents as it promises the opportunity for rural areas to access high-speed broadband without the cost and inconvenience of major infrastructure works. Will the Minister update me on the progress of the project and tell me how quickly my constituents might see the benefits?

**Julia Lopez:** Fibre in the water has been a fantastic and innovative project. We expect to complete the research in May, and I hope to be able to update my hon. Friend, who has been doing fantastic work on this.

**Mr Speaker:** Before we come to Prime Minister's questions, I point out that live subtitles and the British Sign Language interpretation of proceedings are available to watch on parliamentlive.tv.

## PRIME MINISTER

### *The Prime Minister was asked—* **Engagements**

Q1. [904084] **Jess Phillips** (Birmingham, Yardley) (Lab): If he will list his official engagements for Wednesday 15 March.

**The Prime Minister (Rishi Sunak):** Since I was at this Dispatch Box a week ago, the Government have been delivering for the British people. At the UK-France summit, we signed a new illegal immigration deal to

protect our borders. Over the weekend, we facilitated the sale of Silicon Valley Bank at no cost to the taxpayer. We have launched a submarine partnership with Australia and the US, launched our integrated review and boosted our defence budget.

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

**Jess Phillips:** I have worked for years with women brought here illegally as sex slaves and raped by 30 men a day. Last week, the Prime Minister tweeted that these victims would be denied access to support from our modern slavery system—a tweet that traffickers will hold up to these women and say, “See, no one will help you.” Before the Prime Minister parrots his prepared answer about increases in the number of people accessing our modern slavery system, let me educate him and everyone else in the House: the biggest increase in the last 10 years has been from the huge increase in British adults and children trafficked for sex and crime within Britain. That is not a number they should be proud of. How exactly will I help to prevent the next woman I meet who has been brought here illegally from being repeatedly raped, if she is, as the Prime Minister tweeted, denied access to our modern slavery system?

**The Prime Minister:** Just to correct the hon. Lady, it is now a minority of people in our modern slavery referral system that are from the UK. That was not the intention of the legislation when it was introduced. We have a proud record of supporting victims of modern slavery. Thousands of victims are supported every year here in the UK and that will not change as we grip illegal immigration.

**Q6. [904089] Danny Kruger (Devizes) (Con):** On Monday, the Home Secretary said that in recent decades immigration to this country has been too high, and all those on the Opposition Benches howled their disapproval. They want higher immigration, not lower. Does my right hon. Friend agree that, rather than importing cheap foreign labour, we need to invest in the skills of our own young people and encourage businesses to do likewise?

**The Prime Minister:** My hon. Friend is right to say that we need to encourage long-term investment in the domestic workforce. We will hear more on that from the Chancellor later this afternoon, but the Department for Work and Pensions is directing support at sectors with labour shortages, such as construction and social care, and our new skills bootcamps are part of a dramatic rebooting of our skills system to support workers to get the skills that they need.

**Mr Speaker:** We now come to the Leader of the Opposition.

**Keir Starmer (Holborn and St Pancras) (Lab):** Last summer, the Prime Minister claimed that he wanted to protect free speech and put a stop to no-platforming, so how concerned was he by last week’s campaign by Tory MPs to cancel a broadcaster?

**The Prime Minister:** As I said at the time, the issues between Gary Lineker and the BBC were for them to resolve. I am very glad they did so and that we can look forward to watching “Match of the Day” on our screens again.

**Keir Starmer:** The sight of them howling with rage over a tweet and signing green-ink letters in their dozens, desperately trying to cancel a football highlights show, should have been laughable. Instead, it led to a farcical weekend, with the national broadcaster being accused of dancing to the Government’s tune by its own employees. Rather than blame everyone else, why doesn’t the Prime Minister take some responsibility and stand up to his snowflake MPs who are waging war on free speech?

**The Prime Minister:** It is just the usual political opportunism from the leader of the Labour party. I do not know if he noticed, but first the shadow Attorney General and then the shadow Home Secretary actually criticised the language used in the tweet. But what a surprise: he saw the chance to jump on a political bandwagon and changed his mind. [HON. MEMBERS: “More!”]

**Mr Speaker:** Order. I am not being funny, but I think our constituents want us to get to the Budget. The more you shout, the more you delay questions. Please, my constituents are interested even if yours are not.

**Keir Starmer:** Conservative Members are calling for more from a Prime Minister who does not understand that we can disagree with what someone says while still defending their right to say it. If he does not understand that, we have a real problem. Does he accept that people’s concerns about the BBC have been made worse because the Government chose to put a Tory donor with no broadcasting experience in charge of the BBC?

**The Prime Minister:** As he well knows, the BBC chairman was appointed before I became Prime Minister. [Interruption.]

**Mr Speaker:** Order. The same applies to the Opposition. The Budget matters to the people of this country. They want to hear it. Do not keep questions going longer than need be.

**The Prime Minister:** There was a rigorous, independent and long-established process. The appointment was supported by expert panel members, as well as by the cross-party Digital, Culture, Media and Sport Committee. That process is being independently reviewed by the Office of the Commissioner for Public Appointments, and we should allow the review to conclude.

**Keir Starmer:** The problem is that the chair of the BBC is not just any old Tory donor. He is so close to the Prime Minister—[Interruption.]

**Mr Speaker:** Order. Mr Fabricant, I want you to be here for the Budget. We do not want cups of tea to come that early.

**Keir Starmer:** The chair of the BBC is no ordinary Tory donor. He is so close to the Prime Minister that he has been described as the Prime Minister’s mentor. He helped to arrange an £800,000 credit line for the former Prime Minister—a minor detail he forgot to tell the Select Committee that scrutinised his appointment. Does the Prime Minister think his friend’s position is still tenable?



**The Prime Minister:** As I just said, the independent Office of the Commissioner for Public Appointments is reviewing what was a rigorous, independent process to appoint the chairman. Instead of prejudging and pre-empting that review, we should let it conclude and wait for the outcome. That is the right way to do things, and that is what the Government will do.

**Keir Starmer:** When people with links to the Tory party somehow find themselves in senior positions at the BBC, it is important that their impartiality is seen to be beyond reproach, so has the Prime Minister received assurances that no one with links to the Tory party was lobbied by Tory MPs or involved in the decision that saw “Match of the Day” effectively cancelled?

**The Prime Minister:** As I said, these are matters for the BBC to resolve, and it is right that the BBC, as an important institution, takes its obligations on impartiality seriously. I care about the integrity and impartiality of our institutions—the BBC, but also the civil service—and it is right that those processes carry on properly. What I would say to the right hon. and learned Gentleman is that there is an independent review, and it is right that the process concludes and that he, I hope, respects the process.

**Keir Starmer:** The Prime Minister comes here today with these mealy-mouthed platitudes, pretending that the actions of his party are nothing to do with him, but the whole country saw how he kept quiet and hid behind the playground bullies while they tried to drive someone out simply for disagreeing with them. An impartial public broadcaster, free of Government interference, is a crucial pillar in our country, but is that not put at risk by the cancel culture addicts on his Benches, a BBC leadership that caves into their demands and a Prime Minister too weak to do anything about them?

**The Prime Minister:** We are not going to take any lectures on cancel culture from the Labour party. We know what this is about, although the right hon. and learned Gentleman has avoided it in six questions: the substance of the issue that lay behind the tweet. What has he done in the past week? The only thing he and his party have done is voted against our Bill to stop the boats—siding with people smugglers over the British people. That is the substance of what has happened. Instead, what have we done? We have concluded a new migration deal with France; we have managed to sign a new defence partnership with our allies, the United States and Australia; we have protected British start-ups; and we have boosted defence spending. That is what delivering for Britain looks like. *[Interruption.]*

**Mr Speaker:** Order. I just say that this is the biggest day in the House—*[Interruption.]* Do you want to carry on cheering? As I have mentioned, there is plenty of room in the Tea Room for those on both sides. Angela Richardson wants to get on with the questions.

Q7. [904090] **Angela Richardson** (Guildford) (Con): Thank you, Mr Speaker. For decades, Surrey Research Park in Guildford has been home to our pioneering space sector, with Surrey Satellite Technology Ltd and now Surrey Space Centre’s spacecraft project, which recently received £300,000 to train and recruit dedicated

space engineers and create facilities to trial space-related technology. Will my right hon. Friend join me in welcoming that investment? When his diary allows, will he visit Guildford to celebrate successful local innovation and job creation?

**The Prime Minister:** I reassure my hon. Friend that we are continuing to invest in the UK’s thriving space sector, including in her constituency. We have a new £6.5 million scheme to support high-impact projects and, as she knows, Space South Central is already the leading regional space cluster in the UK. There is more investment coming, and I look forward to visiting—or the Minister of State, Department for Science, Innovation and Technology, my hon. Friend the Member for Mid Norfolk (George Freeman) will do so—to make sure that her companies get the recognition they deserve.

**Mr Speaker:** I call the Scottish National party leader.

**Stephen Flynn** (Aberdeen South) (SNP): On Monday, as households in Scotland were awakening to freezing temperatures, they were met with the news that the electricity grid had been upgraded in order to meet the power demands of the Prime Minister’s new swimming pool. So may I ask him: was it while he was taking a leisurely dip that he decided to leave households drowning in their energy bills?

**The Prime Minister:** Thanks to the actions of this Government, we have provided more than £1,300 to help families with their energy bills over the last year. I do not want to pre-empt what the Chancellor is going to say later, but let me say that this is a Government who are committed to continuing to help people with the cost of living, and that is what people will hear later on.

**Stephen Flynn:** You have got to wonder what planet the Prime Minister is on, because for households in Scotland energy prices have not been frozen at two and a half grand—indeed, the average bill in Scotland has been closer to £3,500, with a near tripling in just under two years. Worse than that, the Chancellor is about to get to his feet and announce that the £400 energy rebate is about to be scrapped for everyone, not just in Scotland but right across these isles. Is it not the case that the Tories are not freezing energy bills; they are looking to freeze households?

**The Prime Minister:** The Government are delivering for people across the United Kingdom. Energy bills have been our priority, which is why over £1,000 of support is benefiting households in every part of our country. The hon. Gentleman talks about delivery. We now know that because of the SNP, the trains do not run on time, the police are at breaking point and the NHS in Scotland has experienced its longest ever waiting lists. That is not even my assessment—it is what we learned in the SNP’s leadership debate last week.

Q10. [904093] **Aaron Bell** (Newcastle-under-Lyme) (Con): Independent retailers are the lifeblood of our high streets and critical to the regeneration of our town centres, so we should cherish and celebrate the entrepreneurs who set them up and run them. With that in mind, will the Prime Minister join me in congratulating the winners of my recent competition to find Newcastle’s best loved independent shops and market stalls: namely, Tony

Price Quality Butchers, Mejoolies, Cheeky Cheesecakes and the overall winner, Anasma Greek Bakery, which only opened in July 2021 and is already expanding to a second site?

**The Prime Minister:** I agree with my hon. Friend about the incredible benefit that small businesses and independent retailers bring to our high streets and economy. I congratulate the team at Anasma Greek Bakery on winning the competition. I know that they will feel reassured by their Government's investment in my hon. Friend's constituency through the town deal and, of course, funding from the future high streets fund.

**Stephen Farry (North Down) (Alliance):** Just ahead of St Patrick's day, may I thank the Prime Minister for his recent deep engagement with Northern Ireland, and in particular the conclusion of the Windsor framework? I hope we will see the Executive restored shortly. However, that Executive are facing a spiral of budget cuts, which will prevent them from transforming public services on an invest-to-save basis and from investing in a prosperity agenda. Will the Prime Minister and the Chancellor therefore work with the Northern Ireland parties on a financial package to transform Northern Ireland, accepting the need for strict conditions and a real focus on key areas such as health, education, skills and infrastructure?

**The Prime Minister:** I thank the hon. Gentleman, his colleagues and his party for their engagement in the run-up to the Windsor framework; it was helpful and I appreciated his constructive involvement. My right hon. Friend the Northern Ireland Secretary has been working closely, and will work closely, with all Northern Irish parties, leading discussions on a wide range of issues, including the public finances, because I believe what the hon. Gentleman believes: that the people of Northern Ireland need and deserve effective, accountable and devolved government up and running as quickly as possible. I hope those talks can be constructive in leading to that aim.

**Q13. [904096] Bob Blackman (Harrow East) (Con):** In 2016, the current Mayor of London promised zero strikes on the London underground. Today is the 135th day of strikes since then. Will my right hon. Friend join me in condemning those strikes, which have brought misery to the travelling public in London, and condemn the Mayor of London for his failure to address this issue?

**The Prime Minister:** My hon. Friend is absolutely right about the misery being inflicted on Londoners by the incompetent running of TfL. It is worth bearing in mind that not only does the Labour party vote against our minimum service levels, which will provide respite for the hard-working British public, but since the pandemic the Mayor of London has received £6 billion of additional funding for transport services—so for us to be in the situation that we find ourselves in today is simply unacceptable.

**Q2. [904085] Daisy Cooper (St Albans) (LD):** An investigation reported in *The Guardian* and by the BBC revealed that on more than 450 instances in the last year sewage was leaking into cancer wards, maternity

units and A&E departments. Without urgent action, the legacy of this Conservative Government on the NHS will be an image of a nurse cleaning up sewage around a patient in a crumbling hospital. Will the Prime Minister commit to that pledge of building 40 hospitals by 2030, including in West Hertfordshire, and will he establish a fund to repair those hospitals that are in a dire state of disrepair?

**The Prime Minister:** We are investing record sums in NHS capital to upgrade dozens of hospitals across the country, but in particular to build 40 new hospitals. We are committed to a new hospital scheme at West Hertfordshire Teaching Hospitals NHS Trust as part of that programme. The programme is working closely with the trust on its plans, in line with the approach we have taken nationally.

**Mark Pritchard (The Wrekin) (Con):** Does the Prime Minister agree that agritech—in particular, the excellent work of the Crop and Environment Research Centre at Harper Adams University in Shropshire—is a vital part of the UK economy? I know that he has a busy schedule, but will he dispatch the Secretary of State to come and look at that research centre, and in particular to see the women at Harper Adams leading science and maths—and, indeed, leading the world?

**The Prime Minister:** I agree with my right hon. Friend. Harper Adams is a fantastic example of the type of innovation and skills provision that we need in our agritech sector. That is why I am pleased that, post Brexit, we can introduce the gene editing Bill, which will help to drive productivity and efficiency in our agricultural sector even further.

**Q3. [904086] Ms Karen Buck (Westminster North) (Lab):** The Government promised the 40 new hospitals three years ago and the Prime Minister has just expressed again his intention to proceed. Two years ago in St Mary's Hospital in Paddington, which serves my constituency, a ward ceiling fell in during floods, the eye hospital was closed by a fire, and the birth centre and maternity wards were threatened by structural problems. This week, trust managers said that

"the infrastructure is having an increasing impact on staff and patients...we just can't afford to continue to waste money on failing buildings."

However, the hospital is waiting for the commitment from the Government for the funding under the new hospitals programme. Will today be the day that the Prime Minister commits to that specifically?

**The Prime Minister:** As I said in a previous answer, the Government are committed to the new hospitals programme; we have committed record sums to NHS capital, not just for that programme, but for smaller-scale upgrades across the country. The conversations with her trust and others are happening in the same way across the country and I look forward to those conversations continuing.

**Nickie Aiken (Cities of London and Westminster) (Con):** Government at all levels, national and local, should always strive to deliver value for money for the taxpayer, particularly in a cost of living crisis. Therefore, does the Prime Minister share my astonishment that my

local Labour-led Westminster Council voted last week to raise council tax by 2% and council housing tenants' rent by 7%, and increase allowances for its senior councillors by up to a staggering 45%? *[Interruption.]*

**Mr Speaker:** Prime Minister, you have got to answer. I do not know who is giving you advice, but take it from the Chair: please answer.

**The Prime Minister:** That is disappointing to see. I think it has been just under a year that the now Labour-run Westminster Council has put its own councillors' pay ahead of everything else. I cannot quite believe the figures we heard from my hon. Friend—a staggering, eye-watering 45% pay increase when people across our country and abroad are suffering cost of living pressures. It is clear that it is only Conservative-run councils that deliver for their residents.

**Q4.** [904087] **Judith Cummins** (Bradford South) (Lab): Every child in the UK is entitled to free NHS dental treatment, but with 80% of practices not accepting children as new patients, is the Prime Minister proud of his record on our children's dental health?

**The Prime Minister:** We are investing £3 billion in NHS dentistry. Because of the reforms to the contract, there will be about 10% more activity this year above contracted levels. There are 500 more dentists in the NHS today and, I think, almost a 45% increase in the amount of dental care being provided to children.

**Derek Thomas** (St Ives) (Con): Five years ago, £40 million of public funds were set aside for brain tumour research, but recent Government figures suggest that as little as a quarter of that money has been deployed to researchers. The mechanism to distribute research funding effectively is broken. As a result, the brain tumour community has not seen the breakthroughs in treatment and survival rates that many of us believe they should have. Does my right hon. Friend the Prime Minister agree that a unique and complex disease needs a unique response, and, in Brain Tumour Awareness Month, will he make brain cancer a critical research priority across all cancers?

**The Prime Minister:** I thank my hon. Friend for his thoughtful and powerful question. He is absolutely right about the importance of expediting medical research so that we can deliver better care for the people affected. I will make sure that he gets a meeting with the relevant Minister so we can ensure that that funding gets out to the people who need it and we can bring relief to them as quickly as we can.

**Q5.** [904088] **Joanna Cherry** (Edinburgh South West) (SNP): With the encouragement of the British Government, female prosecutors and female judges in Afghanistan stood up for the rule of law and for a more inclusive and equal nation. Those left behind are in mortal danger. Last year I met senior officials at the Foreign Office, who were open to making a specific case for at least some of those women to be relocated to the United Kingdom, but nothing has happened since then. This dire situation requires a prime ministerial intervention, so I am not asking to meet the Prime Minister's officials or his Ministers; I am asking him directly whether he will meet me to see what we can do for these women.

**The Prime Minister:** I am very happy to meet the hon. and learned Lady. She will know that we take our obligations to those who helped and served in Afghanistan extremely seriously, through both the Afghan relocations and assistance policy and the Afghan citizens resettlement scheme. We have already brought 20,000 refugees from Afghanistan to the UK and worked closely with the United Nations High Commissioner for Refugees and others on those legal routes, but I would be happy to meet her to ensure that we are targeting our compassion and generosity on the people who most need it and not those who are coming here illegally.

**Caroline Ansell** (Eastbourne) (Con): At the height of the pandemic, centre-assessed grades allowed our young people to move forward with their lives. Lara, my very brave young constituent, is now battling cancer and will not sit the GCSE exams that she has worked so hard for, and could be left with only a certificate of recognition. In exceptional circumstances such as these, why can the same principle not apply? Would my right hon. Friend the Prime Minister look compassionately at this situation?

**The Prime Minister:** May I start by sending my best wishes to Lara and thanking my hon. Friend for raising her case in Parliament? Of course, it is incredibly upsetting and challenging for children and young people to be diagnosed with a serious illness, especially so close to their exams. There are allowances that are made, and in the first instance students will speak to their school or college to make those reasonable adjustments, but I will be happy to ensure that we work with my hon. Friend to find a resolution in Lara's case.

**Q8.** [904091] **Dr Rupa Huq** (Ealing Central and Acton) (Lab): I welcome the Prime Minister's numeracy drive, but did he know that some 7.1 million adults in England are functionally illiterate? It is often diagnosed late in life—as with TV's Jay Blades—if at all. Will the Prime Minister thank the entirely voluntary Read Easy, which is turning that around at a cost of just £250 per new reader, and will he commit to a national strategy for eradicating the problem, which is costing our economy £25 billion a year in lost competitiveness?

**The Prime Minister:** I agree with the hon. Lady: literacy and numeracy are critical for adults to be able to participate in society and the economy. I am happy to praise Read Easy for the work that it does, and I look forward to learning more about it. The best way to solve this problem is to ensure that our young children get the reading skills, training and education that they need. I am so pleased that, because of the reforms introduced by previous Conservative Governments, particularly on phonics, we have now marched up the international league table and have some of the best results for reading that we have seen in a very long time.

**Richard Fuller** (North East Bedfordshire) (Con): More than a quarter of the economic output of this country is in sectors overseen by some of our major regulators, such as Ofwat and Ofgem, but historically there has been little in the way of oversight to say whether they are doing a good or bad job, or whether they are achieving international best practice. Can the Prime Minister look at what he can do to address that historical oversight and enable regulators to play their part in ensuring economic growth?



**The Prime Minister:** As always, my hon. Friend makes a very thoughtful point. He is absolutely right about the importance of our regulators in driving growth and competitive investment in our economy. I know that the Chancellor will have something to say about this later, but my hon. Friend should rest assured that we will keep at it to ensure that there is accountability and oversight of our regulators. We all want to see more growth in our economy, and they need to play their part in delivering it.

Q9. [904092] **Graham Stringer** (Blackley and Broughton) (Lab): Twenty years after defeat in the second world war, the first Japanese bullet train travelled the 300 miles from Tokyo to Osaka at 200 mph. Is it not a measure of the Government's incompetence and lack of commitment to the regions and to infrastructure that 24 years after a Conservative Transport Secretary announced that High Speed 2 would happen, it is now expected that Birmingham, Manchester and London will not be linked by that time?

**The Prime Minister:** We are actually delivering the biggest rail investment since the Victorian era. I would just gently point out to the hon. Gentleman that, compared

with when Labour was last in office, the investment going into the north is 30% higher every single year under this Conservative Government. We are delivering for communities across the north, with more trains, buses, stations and roads, because a Conservative Government do not just talk about it; they get on and deliver it.

**Sir Robert Neill** (Bromley and Chislehurst) (Con): I hope very much that, later today, we will hear news of help for motorists and small businesses, but motorists and small businesses in Bromley and the rest of outer London are going to be hard hit later this year by the Mayor of London's stealth tax in the form of an ultra-low emission charge that will cost money and jobs. Is it not time to revisit the Local Government Act and revise it so that such charges can only be imposed on London boroughs with the consent of the boroughs themselves?

**The Prime Minister:** My hon. Friend makes an excellent point. He is right that the Mayor of London should listen to the voices of commuters, families and small businesses as he inflicts his damaging tax on them. This Government will always be on the side of those people and this Budget will deliver for them too.

**Mr Speaker:** That completes Prime Minister's questions.



# Ways and Means

## Financial Statement and Budget Report

**Madam Deputy Speaker (Dame Eleanor Laing):** Before I call the Chancellor of the Exchequer, I remind hon. Members that copies of the Budget resolutions will be available to them from the Vote Office in the Members Lobby at the end of the Chancellor's statement, and of course online. It might also be helpful for some people who are following our proceedings to know that British Sign Language interpretation of the statement, which will continue until the end of the speech of the spokesman for the Scottish National party, is available to watch on parliamentlive.tv—advert. Live subtitling will also be available for the Chancellor's speech and the remainder of today's debate.

I need hardly remind hon. Members—but I will do, for good measure—that they may not make interventions during the Chancellor's statement, or indeed during the reply of the Leader of the Opposition, or even the reply of the spokesman for the Scottish National party. I call the Chancellor of the Exchequer.

12.31 pm

**The Chancellor of the Exchequer (Jeremy Hunt):** Madam Deputy Speaker, in the face of enormous challenges, I report today on a British economy which is proving the doubters wrong. In the autumn, we took difficult decisions to deliver stability and sound money. Since mid-October, 10-year gilt rates have fallen, debt servicing costs are down, mortgage rates are lower and inflation has peaked. The International Monetary Fund says our approach means the UK economy is on the right track, but we remain vigilant and will not hesitate to take whatever steps are necessary for economic stability.

Today, the Office for Budget Responsibility forecasts that, because of changing international factors and the measures I take, the UK will not now enter a technical recession this year. It forecasts we will meet the Prime Minister's priorities to halve inflation, reduce debt and get the economy growing. We are following the plan and the plan is working. But that is not all we have done. In the face of a cost of living crisis, we have demonstrated our values by protecting struggling families with a £2,500 energy price guarantee, one-off support and the uprating of benefits with inflation. Taken together, these measures are worth £94 billion over this year and next—one of the largest support packages in Europe. That averages over £3,300 of cost of living help for every household in the country.

Today, we deliver the next part of our plan: a Budget for growth. Not just the growth that comes when you emerge from a downturn, but long-term, sustainable, healthy growth that pays for our NHS and schools, finds jobs for young people and provides a safety net for older people, all while making our country one of the most prosperous in the world—prosperity with a purpose. That is why growth is one of the Prime Minister's five priorities for our country. I deliver that today by removing obstacles that stop businesses investing, by tackling labour shortages that stop them recruiting, by breaking down barriers that stop people working and by harnessing British ingenuity to make us a science and technology superpower.

I start with the forecasts produced by Richard Hughes and his team at the independent Office for Budget Responsibility, whom I thank for their diligent work. They have looked in detail at the Prime Minister's economic priorities. The first of those is to halve inflation. Inflation destroys the value of hard-earned pay, deters investment and foments industrial strife. This Government remain steadfast in our support for the independent Monetary Policy Committee at the Bank of England as it takes action to return inflation to the 2% target. Despite continuing global instability, the OBR reports today that inflation in the UK will fall from 10.7% in the final quarter of last year to 2.9% by the end of 2023. That is more than halving inflation. High inflation is the root cause of the strikes we have seen in recent months. We will continue to work hard to settle those disputes, but only in a way that does not fuel inflation. Part of the fall in inflation predicted by the OBR happens because of additional measures I take today.

First, I recognise that even though wholesale energy prices have been falling, there is still enormous pressure on family finances. Some people remain in real distress and we should always stand ready to help where we can. So after listening to representations from Martin Lewis and other experts, I today confirm that the energy price guarantee will remain at £2,500 for the next three months. This means the £2,500 cap for the typical household will remain in place when energy prices remain high, ahead of an expected fall in prices from July. This measure will save the average family a further £160 on top of the energy support measures already announced.

The second measure concerns over 4 million households on prepayment meters. They are often the poorest households, but they currently pay more than comparable customers on direct debit. Ofgem has already agreed with suppliers a temporary suspension of forced installations of prepayment meters, but today I go further and confirm that we will bring their charges in line with comparable direct debit charges. Under a Conservative Government, the energy premium paid by our poorest households is coming to an end.

Next, I have listened to representations from my hon. Friends the Members for East Devon (Simon Jupp), for North Cornwall (Scott Mann), for Colne Valley (Jason McCartney) and for Central Suffolk and North Ipswich (Dr Poulter) about the risk to community facilities, especially swimming pools, caused by high costs. When times are tough, such facilities matter even more. *[Interruption.]* Today, I am—*[Interruption.]*

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. We want to hear what the Chancellor of the Exchequer is actually saying. Enough.

**Jeremy Hunt:** Today I am providing a £63 million fund to keep our public leisure centres and pools afloat. I have also heard from the charities Minister, my right hon. Friend the Member for Pudsey (Stuart Andrew), and his Secretary of State, my right hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer), about the brilliant work that third sector organisations are doing to help people struggling in tough times. They can often reach people in need that central or local government cannot, so I will give his Department £100 million to support thousands of local charities and community organisations to do their fantastic work.

[Jeremy Hunt]

I also note the personal courage of one of my predecessors, my right hon. Friend the Member for Bromsgrove (Sajid Javid), in talking about the tragedy of suicide and the importance of preventing it. We already invest a lot in this area, but I will assign an extra £10 million over the next two years—nearly a million pounds for every year that he has been in Parliament—to help the voluntary sector play an even bigger role in stopping more families experiencing that intolerable heartache.

My penultimate cost of living measure concerns one of our other most treasured community institutions, the great British pub. In December, I extended the alcohol duty freeze until 1 August, after which duties will go up in line with inflation in the usual way. But today I will do something that was not possible when we were in the EU and significantly increase the generosity of draught relief, so that from 1 August the duty on draught products in pubs will be up to 11p lower than the duty in supermarkets. It is a differential a Conservative Government will maintain as part of a new Brexit pubs guarantee. [HON. MEMBERS: “More.”] British ale is warm, but the duty on a pint is frozen. And even better, thanks to the Windsor framework negotiated by my right hon. Friend the Prime Minister, that change will now apply to every pub in Northern Ireland.

Finally, I have heard the representations from my hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis), my right hon. Friend the Member for Witham (Priti Patel), my hon. Friend the Member for South Thanet (Craig Mackinlay) and *The Sun* newspaper about the impact on motorists of the planned 11p rise in fuel duty. I notice the party opposite called for a freeze on this duty. Somehow they forgot to tell the British people they have voted against every single fuel duty freeze for the last 12 years. Because inflation remains high, I have decided now is not the right time to uprate fuel duty with inflation or increase the duty, so here is what I am going to do: for a further 12 months I am going to maintain the 5p cut and I am going to freeze fuel duty too. That saves the average driver £100 next year and around £200 since the 5p cut was introduced.

Our energy price guarantee, fuel duty and duty on a pint, all frozen in today's Budget. That does not just help families: it helps the economy too, because their combined impact reduces CPI inflation by nearly three quarters of a per cent. this year, lowering inflation when it is particularly high.

I now turn to the Prime Minister's second priority, which is to reduce debt. Here too our plan is on track. Underlying debt is forecast to be 92.4% of GDP next year, then 97.3%, 94.6%, 94.8%, before falling to 94.6% in 2027-28. We are meeting the debt priority. And with a buffer of £6.5 billion, it means we are meeting our fiscal rule to have debt falling as a percentage of GDP by the fifth year of the forecast.

As a proportion of GDP, our debt remains lower than the USA, Canada, France, Italy and Japan and, because of the decisions I take today and the improved outlook for public finances, underlying debt in five years' time is now forecast to be nearly 3 percentage points of GDP lower than it was in the autumn. That means more money for our public services and a lower burden for future generations—deeply held Conservative values which we put into practice today.

At the autumn statement, I also announced that public sector net borrowing must be below 3% of GDP over the same period. The OBR confirmed today that we are meeting that rule, with a buffer of £39.2 billion. In fact our deficit falls in every single year of the forecast, with borrowing falling from 5.1% of GDP in '23-24, to 3.2%, to 2.8%, to 2.2% and 1.7% in '27-28.

Even better, in the final two years of the forecast, our current budget is in surplus, meaning we only borrow for investment and not for day-to-day spending. Day-to-day departmental spending will grow at 1% a year on average in real terms after '24-25 until the end of the forecast period. Capital plans are maintained at the same level set at the autumn statement. We will uprate tobacco duty and we will freeze the gross gaming duty yield bands. We are also maintaining the starting rate for savings and ISA subscription limits, and we will bring forward a range of measures to tackle promoters of tax avoidance schemes. Taken together, today's measures lead to a slightly lower overall tax burden for the rest of the Parliament compared with the OBR's autumn forecast. Other parties run out of money, but a Conservative Government are reducing borrowing and improving our public finances. By doing so, we are on track to halve inflation, get debt falling and grow our economy, which I turn to next.

Growth is the Prime Minister's third priority and the focus of today's Budget. Thirteen years ago, we inherited an economy that had crashed—[*Interruption.*] Opposition Members might want to listen to this, because since 2010, we have grown more than major countries like France, Italy or Japan, and about the same as Europe's largest economy, Germany. We have halved unemployment, we have cut inequality and we have reduced the number of workless households by 1 million.

For the first time ever, because of rises in tax thresholds made by successive Conservative Chancellors, people in our country can earn £1,000 a month without paying a penny of tax or national insurance. The Labour party opposed those tax reductions, but they have helped lift 2 million people out of absolute poverty, after housing costs, including 400,000 pensioners and 500,000 children. That averages 80 pensioners and 100 children lifted out of poverty for every single day we have been in office.

Today, we face the future with extraordinary potential. The World Bank said that of all big European countries, we are the best place to do business. Global chief executives say that apart from America and China, we are the best country to invest in. We became the second country in the world to have a stock of foreign direct investment worth \$2 trillion, and London has just pipped New York and 53 other global cities to be the best place in the world for female entrepreneurs.

Declinists are wrong about our country for another reason, which is our strength in new industries that will shape this century. Over the last 13 years, under Conservative leadership, we have become the world's third trillion-dollar tech economy after the US and China. We have built the largest life sciences sector in Europe, producing a covid vaccine that saved 6 million lives and a treatment that saved 1 million more.

Our film and TV industry has become Europe's largest, with our creative industries growing at twice the rate of the economy; our advanced manufacturing industries produce around half the world's large civil aircraft wings; and thanks to a clean energy miracle, we have become a world leader in offshore wind. Other parties

talk about a green energy revolution, so I gently remind them that nearly 90% of our solar power was installed in the last 13 years—showing it is the Conservatives who fix the roof when the sun is shining.

Let us turn now to what the OBR says about our growth prospects. In November, it expected that the UK economy would enter recession in 2022 and contract by 1.4% in 2023. That left many families feeling concerned about the future. But today, the OBR forecasts we will not enter a recession at all this year, with a contraction of just 0.2%. After this year, the UK economy will grow in every single year of the forecast period, by 1.8% in 2024, then 2.5%, 2.1%, and 1.9% in 2027. It also expects the unemployment rate to rise by less than one percentage point to 4.4%, with 170,000 fewer people out of work compared with its autumn forecast.

That return to growth has direct consequences for our role on the global stage. I am proud that we are giving the brave people of Ukraine more military support than anyone else in Europe. On Monday, we were able to go even further, with my right hon. Friend the Prime Minister announcing a £5 billion package of funding for the Ministry of Defence—an additional £2 billion next year and £3 billion the year after. Today, following representations from our persuasive Defence Secretary, I confirm that we will add a total of £11 billion to our defence budget over the next five years, and it will be nearly 2.25% of GDP by 2025. We were the first large European country to commit to 2% of GDP for defence, and we will now raise that to 2.5% as soon as fiscal and economic circumstances allow.

Following representations from the equally persuasive Minister for Veterans' Affairs, I am today also increasing support for our brave ex-servicemen and women. We will provide a package worth over £30 million to increase the capacity of the Office for Veterans' Affairs, support veterans with injuries returning from their service and increase the availability of veteran housing.

But to be Europe's biggest defender of democracy, we must build Europe's most dynamic economy. That means tackling our long-standing productivity issues, including two in particular which I address today: lower business investment and higher economic inactivity than other countries. Too often companies struggle to recruit, and even when they do, output per employee is lower. So today I set out the four pillars of our industrial strategy to address these issues. As colleagues will know from my Bloomberg speech, they all conveniently start with the letter E: enterprise, employment, education and everywhere. I start with everywhere—[*Interruption.*] Well, Opposition Members may not want to level up growth across the United Kingdom, but we do.

This Government were elected on a mandate to level up. We have already allocated nearly £4 billion to over 200 projects across the country through the first two rounds of the levelling-up fund. A third round will follow. Since we started focusing on levelling up, 70% of the growth in salaried jobs has come from outside London and the south-east, and today we take further steps. Canary Wharf and the Liverpool docks were two outstanding regeneration projects that happened under a previous Conservative Government. I pay tribute to Lord Heseltine for making them happen, because they transformed the lives of thousands of people. They showed what is possible when entrepreneurs, Government and local communities come together.

So today I announce that we will deliver 12 new investment zones—12 potential Canary Wharfs. In England, we have identified the following areas as having the potential to host one: west midlands, Greater Manchester, the north-east, South Yorkshire, West Yorkshire, east midlands, Teesside and, once again, Liverpool. There will also be at least one in each of Scotland, Wales and Northern Ireland. To be chosen, each area must identify a location where it can offer a bold and imaginative partnership between local government and a university or research institute in a way that catalyses new innovation clusters. If the application is successful, it will have access to £80 million of support for a range of interventions, including skills, infrastructure, tax reliefs and business rates retention.

Working together with our formidable Levelling Up Secretary, I also want to give some further support to levelling up areas under the E of everywhere. First, I will invest over £200 million in high-quality local regeneration projects across England, including the regeneration of Tipton town centre and the Marsden New Mills redevelopment scheme. I am also announcing a further £161 million for regeneration projects in mayoral combined authorities and the Greater London Authority, and I will make over £400 million available for new levelling-up partnerships in areas that include Redcar and Cleveland, Blackburn, Oldham, Rochdale, Mansfield, south Tyneside and Bassetlaw.

Having listened to the case for better local transport infrastructure from many hon. Members, I can announce a second round of the city region sustainable transport settlements, allocating £8.8 billion over the next five-year funding period. Following a wet then cold winter, I have also received particularly strong representations from my hon. Friends the Members for North Devon (Selaine Saxby), for South West Devon (Sir Gary Streeter) and for Newton Abbot (Anne Marie Morris), as well as Councillor Peter Martin from my own constituency, about the curse of potholes. The spending review allocated £500 million every year to the potholes fund, but today I have decided to increase that fund by a further £200 million next year to help local communities tackle this problem.

For Scotland, Wales and Northern Ireland, this Budget delivers not only a new investment zone but an additional £320 million for the Scottish Government, £180 million for the Welsh Government and £130 million for the Northern Ireland Executive as a result of Barnett consequential. On top of that, in Scotland I can announce up to £8.6 million of targeted funding for the Edinburgh festivals as well as £1.5 million funding to repair the Cloddach bridge. I will provide £20 million of funding for the Welsh Government to restore the Holyhead breakwater, and in Northern Ireland I am allocating up to £3 million to extend the tackling paramilitarism programme and up to £40 million to extend further and higher education participation.

But for levelling up to truly succeed, we need to unleash the civic entrepreneurship that is only possible when elected local leaders are able to fund and deliver solutions to their own challenges. That means giving them responsibility for local economic growth and the benefit from the upside when it happens. So this Government will consult on transferring responsibilities for local economic development from local enterprise partnerships to local authorities from April 2024.



[Jeremy Hunt]

I will also boost Mayors' financial autonomy by agreeing multi-year single settlements for the west midlands and the Greater Manchester Combined Authority in the next spending review, something I intend to roll out for all mayoral areas over time. I have also agreed a new long-term commitment so that they can retain 100% of their business rates, something I also hope to expand to other areas. Investment zones, regeneration projects, levelling-up partnerships, local transport infrastructure and business rates retention—more control for local communities over their economic destiny, so we will level up wealth and opportunity everywhere.

Today's priority is the Prime Minister's promise to grow the economy. We have talked about making that growth happen everywhere, so I now move on to my second E—enterprise. We need to be—[*Interruption.*] Well, this has never been something of interest to the Labour party, but the Conservatives will not rest until we are Europe's most dynamic enterprise economy, and under a Conservative Government that is exactly what has been happening. Since 2010, we have 1 million more businesses in the UK—a bigger increase than Germany, France or Italy—but I want another million and another million after that. So today I bring forward enterprise measures in these three areas: to lower business taxes, to reduce energy costs and to support our growth industries.

Let us start with business taxation. Conservatives know the importance of a competitive tax regime. We already have lower levels of business taxation than France, Germany, Italy or Japan, but I want us to have the most pro-business, pro-enterprise tax regime anywhere. Even after the corporation tax rise this April, we will have the lowest headline rate in the G7—lower than any period under the last Labour Government. Only 10% of companies will pay the full 25% rate, but even at 19% our corporation tax did not incentivise investment as effectively as countries with higher headline rates. The result is less capital investment and lower productivity than countries like France and Germany.

We have already taken measures to address this. For larger businesses, we had the super deduction, introduced by my right hon. Friend the Prime Minister, which ends this month. For smaller businesses, we increased the annual investment allowance to £1 million, meaning 99% of all businesses can deduct the full value of all their investment from that year's taxable profits. If the super deduction was allowed to end without a replacement, we would have fallen down the international league tables on tax competitiveness and damaged growth. As a Conservative, I could not allow that to happen.

Today, I can announce that we will introduce a new policy of full capital expensing for the next three years, with an intention to make it permanent as soon as we can responsibly do so. That means that every single pound a company invests in IT equipment, plant or machinery can be deducted in full and immediately from taxable profits. It is a corporation tax cut worth an average of £9 billion a year for every year that it is in place, and its impact on the economy will be huge. The OBR says that it will increase business investment by 3% for every year that it is in place. This decision makes us the only major European country with full expensing and gives us the joint most generous capital allowance regime of any advanced economy.

I understand that the Labour party is reviewing business taxes. Let me save it the bother. It puts them up, and we cut them.

I also want to make our taxes more competitive in our life science and creative industry sectors. In the autumn, I said I would return with a more robust research and development tax credit scheme for smaller research-intensive companies. Today, I am introducing an enhanced credit which means that if a qualifying small or medium-sized business spends 40% or more of its total expenditure on R&D, it will be able to claim a credit worth £27 for every £100 that it spends. That means an eligible cancer drug company spending £2 million on R&D will receive over £500,000 to help it to develop breakthrough treatments. That is a £1.8 billion package of support helping 20,000 cutting-edge companies who, day by day, are turning Britain into a science superpower.

The Government's audio-visual tax reliefs have helped to make our film and TV industry the biggest in Europe. Only last month, Pinewood announced an expansion which will bring another 8,000 jobs to the UK. To give even more momentum to this critical sector, I will introduce an expenditure credit with a rate of 34% for film, high-end television and video games, and 39% for the animation and children's TV sectors. I will maintain the qualifying threshold for high-end television at £1 million. Because our theatres, orchestras and museums do such a brilliant job at attracting tourists to London and the UK, I will extend for another two years their current 45% and 50% reliefs.

An enterprise economy needs low taxes, but it also needs cheap and reliable energy. We have already announced billions of support to help businesses reduce their energy bills through the energy bills relief scheme and the energy bills discount scheme. We have appointed Dame Alison Rose, chief executive of NatWest, to co-chair our national energy efficiency taskforce and help deliver our national ambition to reduce energy use by 15%. To support her efforts, I will extend the climate change agreement scheme for two years to allow eligible businesses £600 million of tax relief on energy efficiency measures. But the long-term solution is not subsidy, but security. That means investing in domestic sources of energy that fall outside Putin's or any autocrat's control. We are world leaders in renewable energy, so today I want to develop another plank of our green economy: carbon capture usage and storage. I am allocating up to £20 billion of support for the early development of CCUS, starting with projects from our east coast to Merseyside to north Wales, paving the way for CCUS everywhere across the UK as we approach 2050. That will support up to 50,000 jobs, attract private sector investment and help capture 20 to 30 million tonnes of carbon dioxide per year by 2030.

We have increased the proportion of electricity generated from renewables from under 10% when we came into office to nearly 40%, but because the wind does not always blow and the sun does not always shine—even under the Conservatives—we will need another critical source of cheap and reliable energy, and that is nuclear. There have been no more powerful advocates for this than my hon. Friends the Members for Ynys Môn (Virginia Crosbie), for Copeland (Trudy Harrison), for Hartlepool (Jill Mortimer) and for Workington (Mark Jenkinson). They rightly say that increasing nuclear capacity is vital to meet our net zero obligations. To



encourage private sector investment into our nuclear programme, I today confirm that, subject to consultation, nuclear power will be classed as environmentally sustainable in our green taxonomy, giving it access to the same investment incentives as renewable energy.

Alongside that will come more public investment. In the autumn statement, I announced the first state-financed investment in nuclear for a generation, a £700 million investment in Sizewell C. Today, I can announce two further commitments to deliver our nuclear ambitions. First, following representations from our energetic Energy Security Secretary, I am announcing the launch of Great British Nuclear, which will bring down costs and provide opportunities across the nuclear supply chain to help provide one quarter of our electricity by 2050. *[Interruption.]* It is so good to hear that the Labour party is in favour of nuclear energy. *[Interruption.]* It is just a shame that it never did any. Secondly, I am launching the first competition for small modular reactors. It will be completed by the end of this year and if demonstrated as viable we will co-fund this exciting new technology.

Finally, under the E of enterprise, I come to our innovation economy: a central area of national competitive advantage for the United Kingdom. Over the weekend, I worked night and day with the Prime Minister and the Governor of the Bank of England to protect the deposits of thousands of our most cutting-edge companies. We successfully secured the sale of the UK arm of Silicon Valley Bank to HSBC, so the future of those companies is now safe in the hands of Europe's biggest and one of its most creditworthy banks. But those events show that we need to build a larger, more diverse financing system, where the benefits of investment in high-growth firms are available to more investors. I will return in the autumn statement with a plan to deliver that. It will include measures to unlock productive investment from defined contribution pension funds and other sources, make the London Stock Exchange a more attractive place to list, and complete our response to the challenges created by the US Inflation Reduction Act.

When it comes to our innovation industries, however, I want to make progress on two areas today. Nigel Lawson made the City of London one of the world's top financial centres by competitive deregulation. With our Brexit autonomy, we can do the same for our high-growth sectors. Today, I want to reform the regulations around medicines and medical technologies. We are lucky to have, in the Medicines and Healthcare products Regulatory Agency, one of the most respected drugs regulators in the world—indeed, the very first anywhere to license a covid vaccine. From 2024, it will move to a different model, which will allow rapid, often near-automatic sign-off for medicines and technologies already approved by trusted regulators in other parts of the world such as the United States, Europe and Japan. At the same time, it will set up a swift new approval process for the most cutting-edge medicines and devices to ensure that the UK becomes a global centre for their development. With an extra £10 million of funding over the next two years, they will put in place the quickest, simplest regulatory approval in the world for companies seeking rapid market access. We are proud of the life science sector, which received more inward investment than any in Europe last year. Today's change will make the UK an

even more exciting place to invest, using our Brexit freedoms and speeding up access for NHS patients to the very newest drugs.

Today, with our talented Science, Innovation and Technology Secretary, I also take measures to strengthen our position in artificial intelligence, where the UK hosts one third of all European companies. I am accepting all nine of the digital technology recommendations made by Sir Patrick Vallance in the review that I asked him to do in the autumn statement. I can report to the House that we will launch an AI sandbox to trial new, faster approaches to help innovators get cutting-edge products to market. We will work at pace with the Intellectual Property Office to provide clarity on IP rules so that generative AI companies can access the material they need. We will ask Sir Patrick's successor, Dame Angela McLean, to report before the summer on options around the growth duty for regulators.

Because AI needs computing horsepower, I today commit around £900 million of funding to implement the recommendations of the independent "Future of Compute" review for an exascale computer. The power needed by AI's complex algorithms can also be provided by quantum computing, so today we publish a quantum strategy, which will set out our vision to be a world-leading quantum-enabled economy by 2033, with a research and innovation programme totalling £2.5 billion.

I also want to encourage the best AI research to happen in the UK, so will award a prize of £1 million every year for the next 10 years to the person or team that does the most groundbreaking British AI research. The world's first stored-program computer was built at the University of Manchester in 1948, and was known as the Manchester baby. Seventy-five years on, the baby has grown up, so I will call this new national AI award the Manchester prize in its honour. We want the UK to be the best place in Europe for companies to locate, invest and grow, so today's enterprise measures strengthen our technology and life science sectors, invest in energy security and—for three years, but I hope permanently—cut corporation tax by £9 billion a year, to give us the best investment incentives of any advanced economy.

An enterprise economy can only grow if it can hire the people it needs, which brings me to my third pillar after everywhere and enterprise. *[Interruption.]* I said it was a growth budget. We are talking about the E of employment. I am going to talk about a difficult topic for the Labour party. Brexit was a decision by the British people to change our economic model. In that historic vote, our country decided to move from a model based on unlimited low-skill migration to one based on high wages and high skills. Today, we show how we will deliver that, with a major set of reforms. The OBR says that it is the biggest positive supply-side intervention that it has ever recognised in its forecast.

We have around 1 million vacancies in the economy but, excluding students, more than 7 million adults of working age are not in work. That is a potential pool of seven people for every vacancy. Conservatives believe that work is a virtue. We agree with the road haulage king Eddie Stobart, who said:

"The only place success comes before work is the dictionary."

Today, I bring forward reforms to remove the barriers that stop people who want to work from doing so. I start with over 2 million people who are inactive due to

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a disability or long-term sickness. Thanks to the reforms courageously introduced by my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith), the number of disabled people in work has risen by 2 million since 2013. But even after that, we could fill half the vacancies in the economy with people who say that they would like to work, despite being inactive due to sickness or disability. With Zoom, Teams and new working models that make it easier to work from home, that is possible now more than ever.

For that reason, the ever-diligent Work and Pensions Secretary today takes the next step in his groundbreaking work on tackling economic inactivity. I thank him for that, and today we publish a White Paper on disability benefits reform. It is the biggest change to our welfare system in a decade. His plans will abolish the work capability assessment in Great Britain and will separate benefit entitlement from an individual's ability to work. As a result, disabled benefit claimants will always be able to seek work without fear of losing financial support.

Today, I am going further by announcing that, after listening to representations from the Centre for Social Justice and others, in England and Wales we will fund a new programme called universal support. This is a new, voluntary employment scheme for disabled people, where the Government will spend up to £4,000 a person to help them find appropriate jobs and put in place the support that they need. It will fund 50,000 places every single year.

We also want to help those who are forced to leave work because of a health condition such as back pain or a mental health issue. We should give them support before they end up leaving their job, so working with our Health Secretary, I am also announcing a £400-million plan to increase the availability of mental health and musculoskeletal resources, and expand the individual placement and support scheme. Because occupational health provided by employers has a key role to play, I will also bring forward two new consultations on how to improve its availability and double the funding for the small company subsidy pilot.

Another group that deserves particular attention is children in care. They, too, should be given all possible help to make a normal working life possible when they reach adulthood. Often, they depend on foster families, who do a brilliant job, so today I am nearly doubling the qualifying care relief threshold to £18,140 which will give a tax cut to a qualifying carer worth an average of £450 a year. I will also increase the funding that we provide to the Staying Close programme by 50%, to help more care leavers into employment, and I will support young people with special educational needs and disabilities with a £3-million pilot expansion of the Department for Education's supported internship programme, to help those people to transition from education into the workplace. No civilised society can ignore the contribution that can be made by those with challenging family circumstances, a long-term illness or a disability, so today we remove the barriers that we can, with reforms that strengthen our society as well as our economy.

The next set of employment reforms affects those on universal credit without a health condition, who are looking for work or on low earnings. There are more

than 2 million jobseekers in this group—more than enough to fill every vacancy in the economy. Independence is always better than dependence. [Interruption.] With some exceptions, Madam Deputy Speaker. That is why a Conservative Government believe that those who can work, should. Sanctions will be applied more rigorously to those who fail to meet strict work search requirements or choose not to take up a reasonable job offer. For those working low hours, we will increase the administrative earnings threshold from the equivalent of 15 hours to 18 hours at national living wage for an individual claimant, meaning that anyone working below that level will receive more work coach support, alongside a more intensive conditionality regime.

The next group of workers I want to support are those aged over 50. My younger officials have termed these people “older” workers, although as a 56-year-old I prefer the term “experienced”. Fully 3.5 million people of pre-retirement age over 50 are not part of the labour force—an increase of 320,000 since before the pandemic. We now have the 23rd highest inactivity rate for over 55s in the OECD. If we matched the rate of Sweden, we would add more than 1 million people to our national labour force.

Madam Deputy Speaker, I say this not to flatter you, but older people are the most skilled and experienced people we have. [HON. MEMBERS: “Oh!”] No country can thrive if it turns its back on such a wealth of talent and ability. But for too many, turning 50 is a moment of anxiety about the cliff edge of retirement rather than a moment of anticipation about another two decades of fulfilment. I know this myself. After I turned 50, I was relegated to the Back Benches and planned for a quiet life, but instead I decided to set an example by embarking on a new career in finance.

**Sir Chris Bryant (Rhondda) (Lab):** How's it going?

**Jeremy Hunt:** It's going well, thank you. So today I take three steps to make it easier for those who wish to work longer to do so.

First, we will increase the number of people who get the best possible financial, health and career guidance ahead of retirement by enhancing the Department for Work and Pensions' excellent mid-life MOT strategy. It will also increase by fivefold the number of 50-plus universal credit claimants who receive mid-life MOTs from 8,000 to 40,000 a year.

Secondly, with the Secretary of State for Education, my right hon. Friend the Member for Chichester (Gillian Keegan), who has a deep personal commitment to this area, we will introduce a new kind of apprenticeship, targeted at the over 50s who want to return to work. They will be called returnerships and operate alongside skills boot camps and sector-based work academies. They will bring together our existing skills programmes to make them more appealing for older workers, focusing on flexibility and previous experience to reduce training length.

Finally, I have listened to the concerns of many senior NHS clinicians, who say unpredictable pension tax charges are making them leave the NHS just when they are needed most. The NHS is our biggest employer, and we will shortly publish the long-term workforce plan I promised in the autumn statement. But ahead of that, I do not want any doctor to retire early because of the way pension taxes work. It is an issue I have discussed

not just with the current Secretary of State for Health and Social Care, my right hon. Friend the Member for North East Cambridgeshire (Steve Barclay), but a former Health Secretary who kindly took a break from WhatsApping his colleagues to consider it.

As Chancellor, I have realised the issue goes wider than doctors. No one should be pushed out of the workforce for tax reasons. So today I will increase the pensions annual tax-free allowance by 50%, from £40,000 to £60,000. Some have also asked me to increase the lifetime allowance from its £1 million limit. But I have decided not to do that. Instead I will go further and abolish the lifetime allowance altogether. It is a pension tax reform that will stop over 80% of NHS doctors from receiving a tax charge, incentivise our most experienced and productive workers to stay in work for longer, and simplify our tax system, taking thousands of people out of the complexity of pension tax. *[Interruption.]*

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. Just because the Chancellor of the Exchequer is either unpopular or popular, we still need to keep the noise down because we still have to hear what he has to say. He has more to say.

**Jeremy Hunt:** This is a comprehensive plan to remove the barriers to work facing those on benefits, those with health conditions and older workers. That is the E of the employment pillar of today's growth budget.

Which brings me to the final pillar of our growth plan. After employment, enterprise and everywhere, I turn to the E of education. Over more than a decade, this Conservative Government have driven improvement in our education system. We have risen by nearly 10 places in the international league tables for English and maths since 2015.

In the autumn statement, I built on this progress with an extra £2.3 billion annual investment to our schools. We are reviewing our approach to skills with Sir Michael Barber. We have set out our plans to transform lifelong learning with a new lifelong loan entitlement and my right hon. Friend the Prime Minister announced plans to make maths compulsory until 18. But today I want to address an issue in our education system that is bad for children and damaging for the economy. It is an issue that starts even before a child enters the gates of a school. Today I want to reform our childcare system.

We have the one of the most expensive systems in the world. Almost half of non-working mothers said they would prefer to work if they could arrange suitable childcare.

For many women, a career break becomes a career end. Our female participation rate is higher than average for OECD economies, but we trail top performers, such as Denmark and the Netherlands. If we matched Dutch levels of participation, there would be more than 1 million additional women working. And we can do that.

So today I announce a series of reforms that start that journey. I begin with the supply of childcare. We have seen a significant decline in childminders over recent years—down 9% in England in just one year. But childminders are a vital way to deliver affordable and flexible care, and we need more of them. I have listened to representations from my hon. Friend the Member for Stroud (Siobhan Baillie) and decided to

address this by piloting incentive payments of £600 for childminders who sign up to the profession, rising to £1,200 for those who join through an agency.

I have also heard many concerns about cost pressures facing the sector. We know that is making it hard to hire staff and raising prices for parents, with around two thirds of childcare providers increasing fees last year alone. So we will increase the funding paid to nurseries providing free childcare under the hours offer by £204 million from this September, rising to £288 million next year. That is an average of a 30% increase in the two-year-old rate this year, just as the sector has requested.

I will also offer providers more flexibility in how they operate in line with other parts of the UK. So alongside that additional funding, we will change minimum staff-to-child ratios from 1:4 to 1:5 for two-year-olds in England as happens in Scotland, although the new ratios will remain optional with no obligation on either childminders or parents to adopt them.

I want to help the 700,000 parents on universal credit who, until the reforms I announced today, had limited requirements to look for work. Many remain out of work because they cannot afford the upfront payment necessary to access subsidised childcare. So for any parents who are moving into work or want to increase their hours, we will pay their childcare costs upfront. And we will increase the maximum they can claim to £951 for one child and £1,630 for two children, an increase of almost 50%.

I turn now to parents of school-age children, who often face barriers to working because of the limited availability of wraparound care. One third of primary schools do not offer childcare at both ends of the school day, even though for many people a job requires it to be available before and after school. To address this, we will fund schools and local authorities to increase the supply of wraparound care so that all parents of school-age children can drop their children off between 8 am and 6 pm. Our ambition is that all schools will start to offer a full wraparound offer, either on their own or in partnership with other schools, by September 2026.

Today's childcare reforms will increase the availability of childcare, reduce costs and increase the number of parents able to use it. Taken together with earlier Conservative reforms, they amount to the most significant improvements to childcare provision in a decade. But if we really want to remove the barriers to work, we need to go further for parents who have a child under 3. For them childcare remains just too expensive.

In 2010, there was barely any free childcare for under-fives. A Conservative-led Government changed that, with free childcare for three and four-year-olds in England. It was a landmark reform, but not a complete one. I do not want any parent with a child under five to be prevented from working if they want to, because it is damaging to our economy and unfair, mainly to women, so today I announce that in eligible households in which all adults are working at least 16 hours, we will introduce 30 hours of free childcare not just for three and four-year-olds, but for every single child over the age of nine months.

The 30 hours offer will now start from the moment maternity or paternity leave ends. It is a package worth on average £6,500 every year for a family with a two-year-old child using 35 hours of childcare every week, and it



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reduces their childcare costs by nearly 60%. Because it is such a large reform, we will introduce it in stages to ensure that there is enough supply in the market. Working parents of two-year-olds will be able to access 15 hours of free care from April 2024, helping about half a million parents. From September 2024, that 15 hours will be extended to all children from nine months up, meaning that a total of nearly 1 million parents will be eligible. From September 2025, every single working parent of under-fives will have access to 30 hours of free childcare per week.

**Mr Toby Perkins** (Chesterfield) (Lab): You'll be gone by then.

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. Mr Perkins, stop it.

**Jeremy Hunt:** Today we complete a landmark Conservative reform. We help the economy, transform the lives of thousands of women and build a childcare system comparable to the best, with a major early years reform for our education system—the E of education, alongside the three other pillars of our growth plan: enterprise, employment and everywhere.

In November we delivered stability; today it is growth. We are tackling the two biggest barriers to businesses growing—investment incentives and labour supply—with the best investment incentives in Europe and the biggest ever employment package. For disabled people, more help; for older people, barriers removed; for families feeling the pinch, fuel duty frozen, beer duty cut and energy bills capped; and for parents, 30 hours of free childcare for all under-fives. Today we build for the future, with inflation down, debt falling and growth up. The declinists are wrong and the optimists are right. We stick to the plan because the plan is working. I commend this statement to the House.

**Madam Deputy Speaker:** I thank the Chancellor of the Exchequer for his Budget statement. [Interruption.] I hope the House will settle down, please. Under Standing Order No. 51, the first motion, entitled—[Interruption.] The bad behaviour is now on the Government side of the House! Let us have a bit of decorum, please, while we go through the necessary procedure.

### PROVISIONAL COLLECTION OF TAXES

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

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

- (a) Stamp duty land tax (transaction funded with the assistance of a subsidy) (motion no. 39);
- (b) Fuel duties (excepted machines) (motion no. 44);
- (c) Rates of tobacco products duty (motion no. 46);
- (d) Late payment interest (value added tax) (motion no. 57);
- (e) Charities (value added tax etc) (motion no. 65).—(Jeremy Hunt.)

*Question agreed to.*

## Budget Resolutions and Economic Situation

### INCOME TAX (CHARGE)

*Motion made, and Question proposed,*

That income tax is charged for the tax year 2023-24.

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.—(Jeremy Hunt.)

**Madam Deputy Speaker (Dame Eleanor Laing):** It is on this motion that the debate will take place today and on succeeding days. The Questions on this motion and on the remaining motions will be put at the end of the Budget debate on Tuesday 21 March. I call the Leader of the Opposition.

1.35 pm

**Keir Starmer** (Holborn and St Pancras) (Lab): Thank you, Madam Deputy Speaker. May I say that it is good to see you back in the Chair?

For all the hype, this is a Budget for growth that downgrades the growth forecast. The Chancellor's opening boast was that things are not quite as bad now as they were in October last year after the kamikaze Budget. The more he pretends everything is fine, the more he shows just how out of touch the Government are. After 13 years of his Government, our economy needed major surgery, but this Budget leaves us, like millions across our country, stuck in the waiting room with only a sticking plaster to hand. Our country is set on a path of managed decline, falling behind our competitors—the sick man of Europe once again.

This was a day for ambition, for bringing us together with purpose and intent, for unlocking the pride that is in every community and matching their belief in the possibilities of the future, but after today we know that the Tory cupboard is as bare as the salad aisle in our supermarkets. The lettuces may be out, but the turnips are in: a hopelessly divided party, caught between a rock of decline and a hard place of its own economic recklessness, dressing up stagnation as stability as the expiry date looms ever closer.

The figures published today spell it out: a year of stagnation, with growth non-existent. According to the International Monetary Fund, we are the worst-performing country in the G7 this year—a prediction today confirmed by the Office for Budget Responsibility, with growth downgraded in the years to come. This is a failure that can be measured not just by the figures, but by the empty pockets of working people right across the country: 13 years without wage growth, 13 years no better off, 13 years stuck in a doom loop of lower growth, higher taxes and broken public services.

The OBR makes it clear today that things do not look any better in the long run. A broken labour market is holding back our prospects. There are 7 million on NHS waiting lists. Ill health and disability are on the rise, and the consequences, as we have just heard, have been deferred to the future. It is the classic short-term, sticking-plaster cycle: decisions cynically ducked today; pain for working people tomorrow.

It does not have to be like this. Britain has enormous potential. In science, innovation and technology, we should be leading, not lagging. We need an industrial



strategy that removes barriers to investment, but the announcements today are nowhere near the mark. The lowest investment in the G7: that is the Government's record. All our competitors know this. They are gearing up for an almighty race, for the opportunities of tomorrow, and we have to be on the start line, not back in the changing room tying our laces.

The Chancellor mentioned the war in Ukraine. Of course the Opposition stand with Ukraine, and we stand with the Government's response to Putin's brutality. We will look carefully at the details of the military spending announced, and we will support them, but what we cannot accept is the use of the war as a blanket excuse for failure.

Our economy has weak foundations. Global crises hit Britain more than other countries. Wages in this country are lower now in real terms than they were 13 years ago. The average French family are a tenth richer; the average German family a fifth richer. Those countries faced the same pandemic and those countries face the same war. The war did not ban onshore wind, the war did not scrap our home insulation scheme, the war did not run down our gas storage facilities—the Government did, with decisions that hurt working people battling the cost of living crisis right now. It has been the same story for the whole 13 years: always the sticking plaster, never the cure, and today's Budget does nothing to change that. Again, we see a failure to grip the long-term challenges—[*Interruption.*]

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. People should not be speaking while the Leader of the Opposition is delivering his speech. They should be listening. We will now listen to the Leader of the Opposition.

**Keir Starmer:** Today's Budget changes nothing. Again, we see a failure to grip the long-term challenges and no determination to create growth, which unlocks the potential of the many. Working people are being made to pay for Tory choices and Tory mistakes.

These are the organising principles of Conservative economics, and we should judge them by their choices: the running down of our public services, paid for by working people; the disaster of the Tory mortgage premium, paid for by working people; the opportunities still missed for a proper windfall tax, paid for by working people. That is what makes the Chancellor's boasts about lower inflation so ridiculous—the idea that it is a tax cut. British people can see through that. They see their tax burden at its highest level for 70 years, and they know it is not the Government who are lowering inflation. It is working people, earning less and enjoying less. It is their sacrifice that is helping to bring inflation down, and they deserve better than another cheap trick from the Government of gimmicks, making them pay while trying to claim the credit.

Even with the price guarantee, the average energy bill has doubled in 18 months. Because of the Government's recklessness, the average mortgage payment is up by £2,000 a year—a massive hit to living standards, however they cook the books. And yet there is still no real ambition on industrial strategy, no real ambition on the clean energy that will give us cheaper bills, no real ambition on house building. We are seeing the same old Tory choices, with sticking-plaster politics, no growth for the many, and working people paying.

Let us turn to "his" policies on the cost of living. I say "his" policies because there is a history to this—a pattern. Over the course of the whole cost of living crisis, time and again it is Labour who brings the Government not just to their senses, but to our position. Who first pushed for the energy price guarantee? Labour. Who first called for a proper windfall tax? Labour. Who first stood by people on prepayment meters? Labour. Who first said we should freeze the price guarantee this April? Labour. And we can go on, because it is also Labour that first committed to extending the fuel duty cut—a policy that, in January, the Chancellor dismissed, as part of a dossier that he published. So for one poor soul in their research team at least, this really is a back-to-work Budget. I have a word of advice for the Chancellor as he promotes this policy in the coming days: use your own car, and for heaven's sake make sure you know how to use a debit card. I look forward to the Prime Minister promoting the swimming pools policy. He will not have to borrow one of those—unlike the car.

The cost of living crisis is not over, and once again the Government have left money on the table when it comes to oil and gas companies—money that could have been better spent on working people. Politics is about whose side you are on. There are loopholes that urgently need closing. Even the former CEO of Shell admitted that the companies should be paying more. The long-term plan just is not there. We are seeing the same old Tory choices and the same three principles—sticking-plaster politics, no growth for the many, working people pay—and we are seeing those principles at play in our broken labour market.

Much of what the Chancellor said today focused on that, as well it might. The figures announced in this Budget show how damaging the current situation is to growth—a long-term drag on our ability to create more wealth. Our inactivity levels are particularly shocking, up by half a million since the pandemic, and ours is the worst jobs recovery in the G7. More people are unable to work because of ill health than ever before.

We will look at what the Chancellor has announced today, because we on these Benches have long called for reform of the work capability assessment, and for a welfare system that supports people with disabilities and long-term health conditions and helps them to thrive at work. The universal credit system must help people into employment, and childcare is a huge barrier to that. We have made the case for reform.

When it comes to childcare, of course more money in the system is obviously a good thing—[*Interruption.*] They obviously were not listening when he told us when he was actually going to do it. We have seen the Tories expand so-called free hours before. As parents up and down the country know, it is no use having more free hours if you cannot access them, and it pushes up the costs for parents outside the offer. That is what we have seen before.

On pensions, the Chancellor made a big spending commitment that will benefit those with the broadest shoulders when many people are struggling to save into their pensions. We needed a fix for doctors, but the announcement today is a huge giveaway to some of the very wealthiest. The only permanent tax cut in the Budget is for the richest 1%. How can that possibly be a priority for this Government?

[*Keir Starmer*]

The truth is that our labour market is the cast-iron example of an economy with weak foundations. Our crisis in participation simply has not happened elsewhere—not to this extent. It is a feature of Tory Britain, and global excuses will not wash. We need a wider reform agenda. Instead of making working people pay, we need to make work pay. We need to move on from growth that is based on insecure, low-paid jobs to growth that comes from good work and strong employment rights and can deliver higher productivity: growth from the many, for the many, that makes people better off in all parts of our country.

I welcome the Chancellor's announcements on devolution deals. The principle that we should push power out of Westminster is fully supported on this side of the House. In fact, we want him to go further: communities beyond Birmingham and Manchester deserve the right powers, and the same powers, to drive growth as well.

But the Chancellor is a former Health Secretary, and a published author on health, no less—he gave me a signed copy of his book. He knows that growth needs an NHS fit for the future, and no country can be fit for work when there are 7 million people on hospital waiting lists. So I was waiting for him to match Labour's ambition—waiting for him to match our plan to train more doctors and nurses and to tackle the capacity crisis, a policy that he publicly praised just 15 days before becoming Chancellor. And yet it never came. If ever there was a symbol of the poverty of ambition, that is it, because the reality is that a country getting sicker is a country getting poorer, and a country getting poorer is a country getting sicker. Health and wealth must go together. Britain cannot afford to be the sick man of Europe. Britain cannot afford the Tories.

And there is another way. On these Benches, we understand that institutions must be respected, that constraints must be accepted, that fiscal rules should be sound and followed rigorously, and that every pound is precious and must not be wasted. The Tories want to shout about their record, so let them shout. Wages: lower. Taxes: higher. Borrowing: higher. Debt: higher. Their chaos has a cost.

Certainty is vital for the growth that we need, essential for businesses and investors in our country. As we have spelt out, compared with a blanket cut in corporation tax, investment allowances are the right approach, but the question that many businesses will ask today is this: how long before the wind blows again, and we all go through this again? That is what the Tories do not understand about business investment. Their endless fighting on tax is bad for growth, in and of itself. Real stability means that taxes do not go up and down like yo-yos, and the R&D tax credit regime does not get overhauled twice in six months. [*Interruption.*]

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. Okay, that is enough. I now cannot hear the right hon. and learned Gentleman at all—and it is nothing to do with being old. Now, be quiet.

**Keir Starmer:** Let me give an example of that instability. It is a bit of a fraught subject at the moment, but when the Chancellor was Culture Secretary he apparently took some lessons on the rules of football. Let me provide a refresher. The number of times his Government

have broken their fiscal rules: 11. That is one football team. The number of times they have changed corporation tax policy: 22. That is two teams—you have got a game. But if he wants the post-match analysis, he will have to consult the experts, who will be back on his screens and ours this weekend. I know that the whole House will want to applaud that.

But a Budget is about not just the choices made but the choices ignored. Britain needs more than certainty for growth; that is the least we should expect. We need change, stability and success. Anyone listening to this who is worried about NHS waiting lists or about crime going unpunished—[*Interruption.*] They do not want to hear about the waiting lists. They do not want to hear about crime going unpunished. Housebuilding rates are falling. I suppose they do not want to hear about that either. They will have heard very little that makes them feel hopeful about our future.

The Government could have used sensible taxation policies on non-doms or oil and gas companies and made the money work for working people. They could have tackled the vested interests that gum up our planning system and shown real ambition on the investment we need to turn us into a green growth superpower. That was the test today: could we move beyond the usual sticking-plaster solutions and set a new direction for growth that serves the interests of working people?

I am afraid that the verdict on this Budget is clear: they will not offer change because they cannot. And so our course is set: managed decline, Britain going backwards, the sick man of Europe once again. That is the Britain they have created and they should look it in the eye, because today's figures on growth put their failures up in lights. After 13 years of Tory sticking-plaster politics, 13 years of no growth for the many and 13 years of being asked to pay, working people are entitled to ask, "Am I any better off than I was before?" After 13 years, with no excuses left, nobody left to blame, no ambition or answers, the resounding answer is no, and they know it.

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. We will just let things settle down a bit. If people are leaving, please will they do so quickly and quietly, out of consideration for everybody else who is still taking part in the debate? Get a move on. I call the Chair of the Treasury Committee.

1.53 pm

**Harriett Baldwin (West Worcestershire) (Con):** Thank you very much, Madam Deputy Speaker; it is wonderful to have you back in the Chair.

After that torrent of socialist declinism from the Opposition, I want to start by saying how lucky we are to have a lucky Chancellor. He has been lucky this winter because the weather has been a lot warmer than it was when he stood here in November, and as a result the price of energy has come down. But he has also made some of his own luck. Thanks to the steps that he took, the financial markets have stabilised and he has had to pay less in interest than he was expecting to—about £4 billion.

It is hard to believe that this is the first official Budget we have had in this Chamber since October 2021. A lot of things have changed since then. Our world-leading NHS vaccination roll-out has ended the severe contagion

of the pandemic, but Putin's evil and illegal invasion of Ukraine has sparked the worst inflation for 40 years. The challenges that those events have placed on the public finances have been extraordinary, and the spending cannot all be borrowed and passed on to the next generation. That is why I welcome today's news that the Chancellor is forecasting 3% lower debt in years to come.

The Treasury Committee welcomes the fact that the Budget is accompanied by forecasts from the Office for Budget Responsibility. We think it is important that that stands alongside a Budget. It is a key part of the independent framework for Chancellors and we will be taking evidence from the OBR next week on the underlying assumptions behind its forecasts.

What has changed most perniciously since the last Budget in October 2021 is inflation. It was only just beginning to rear its ugly head back then, and as a member of the Treasury Committee throughout this entire period, I have been like Cassandra in highlighting some of the inflationary risks that we faced. Far from being transitory, as the independent Bank of England hoped, inflation has become quite deeply embedded in the UK economy in wage inflation and in expectations. That is why I welcome the news today that the OBR is expecting inflation to go back down to 2.9% by the end of this year.

Inflation is the worst tax that we have on our economy. It is a tax paid particularly by the very poorest, who spend the highest proportion of their income on food and energy, so the Chancellor must not listen to the siren voices urging him to increase or abandon the inflation target that he gives to the independent Bank of England. The top priority for our economy this year must be to at least halve inflation.

It is to be welcomed that in his Budget today, the Chancellor has tried to focus on measures that help to achieve that inflation target. The extension of the fuel duty freeze and the cap on household energy costs will all help to keep inflation almost 1% lower than it would otherwise have been. These might not feel like giveaways but they do cost money against the do-nothing counterfactual option. It is good to see that they are being implemented because of better public finances, and that these tax cuts can be seen as consistent with the Government's second priority of reducing debt.

In our recent Treasury Committee report, we called on the Chancellor to think again about the fiction that lies behind fuel duty forecasts. Every year, they get embedded in the fiscal outlook, and every year Chancellors realise that it is not an ideal time to raise fuel duty. I welcome the fact that the fuel duty cut has been extended for another year and that, once again, the fiction has not been followed through into reality, but we need to think long and hard about why a tax that is inflationary, that harms growth and that is heading the way of the dodo, as we all move to electric cars, is still in the forecast numbers.

The third economic policy of growing the economy in a non-inflationary way will involve all of us working more productively. The Stride review, named after my illustrious predecessor, has rightly focused on this key question. Many helpful measures have been announced in today's Budget. With over 1 million job vacancies in our economy, we are still, as a country, working fewer hours than we were before the pandemic. Unlocking that human and economic potential is key to strong, productive, non-inflationary growth.

The steps that have been announced today on childcare and on pensions will help to ease the labour shortages that are pushing up wage demands and help to counter those inflationary pressures. The Treasury Committee looks forward to exploring all these issues in detail with our expert witnesses and with the Chancellor in our next evidence sessions, because the details really matter.

The Treasury Committee has highlighted the new benefit cliff edges that my right hon. Friend introduced last November, when he announced that, next winter, only low-paid households will receive the £900 help with their cost of living. We asked for it to be spread over six instalments to reduce the risk of cliff edges. We are sorry to hear that a somewhat clunky computer system means there will be three instalments instead. We worry that, if a person loses their job just after the qualifying date, they will miss out on a lot of help.

There are still cliff edges, taper rates and disincentives to work galore in our benefit and tax systems, whether they are around free school meals, childcare limits, child benefit tapers, tax-free childcare cliff edges and the withdrawal of the tax-free allowance. The very welcome measures announced today on all those fronts, and the pension cap abolition, will all be studied in detail by the Committee. We plan to work closely with our colleagues on the Work and Pensions Committee to find recommendations to smooth some of those cliff edges and distortions.

The Chancellor can see how these cliff edges are disincentives to working more hours, and every hour of work should pay. We have made huge progress towards that today. At any stage in life, and at any age, people should be rewarded more the more they work.

Speaking briefly as a constituency MP, I welcome the help for swimming pools, for pubs, for levelling up, for Malvern theatres and for childcare providers and nurseries. There is a lot of very good news for them today.

The Chancellor has had some luck since November and he has shared that luck with UK households today. He has a clear intention to bring down inflation, to grow the economy and to reduce debt. May good luck continue to follow him, and may the extra billions of pounds he has secured for the defence budget help our Ukrainian friends have good luck and to beat back the Russian invaders. Slava Ukraini.

**Madam Deputy Speaker (Dame Eleanor Laing):** I call the SNP spokesman.

2.2 pm

**Stewart Hosie (Dundee East) (SNP):** I thought the Chair of the Treasury Committee, the hon. Member for West Worcestershire (Harriett Baldwin), was about to launch a ship with her peroration.

If I may, I will make a couple of small observations before I start. The Chancellor mentioned Nigel Lawson and his deregulatory Budgets and spoke about the resolution for Silicon Valley Bank. I hope the Government learned the right lessons from those episodes and indeed from the 2008-09 crash: do not weaken regulation, do not weaken tier 1 capital and do not return the banking system to risk.

I was intrigued by many of the things the Chancellor said about reducing economic inactivity. Some of the measures may well work. To add more brutal



[Stewart Hosie]

sanctions on to universal credit claimants was probably rather unconscionable, given everything else that is happening.

The Chancellor gave the impression of broad, sunlit uplands, and there was lots of cheering and waving of Order Papers at the end. What he actually described, though, was a UK economy that has gone from being the most robust in the G7 to one of the weakest; a UK economy in which Brexit slammed the brakes on UK investment; a UK whose performance deteriorated after the Brexit referendum, in both absolute and relative terms; a country that unilaterally imposed trade barriers with its nearest neighbours; and the only country in the G7 whose economy has not returned to its pre-pandemic level.

One could make a case that this was not all the Government's fault, but many of the difficulties were, and many were caused by the disastrous fiscal loosening of the Chancellor's predecessor, the right hon. Member for Spelthorne (Kwasi Kwarteng). We can see the problem the economy faces through the prism of debt interest. The Chancellor is right about the comparison with last November, four months ago, but year on year, debt interest payments are £30 billion, £40 billion, £50 billion, £60 billion higher than they were a year ago. For ordinary working people, the OBR confirmed in November that real household disposable income remains below the 2019-20 level and will do so for the next four or five years, and I have seen nothing in the Red Book or the OBR forecast in the past few minutes to change my mind about November's assessment.

We had every right to expect that today's Budget would begin to address more of the long-term issues the economy faces and would contain action to tackle some of the cost burdens on ordinary people. Those long-term issues were addressed by both the CBI and the TUC in their Budget submissions. On growth, the CBI said:

"The UK economy continues to face global and domestic headwinds, with the prospect of several more years of low growth."

The TUC said that

"the government is arguing once more that the state of the public finances is a reason to restrict economic growth, flying in the face of evidence to the contrary."

On productivity, the CBI noted:

"Britain has experienced 15 years of low growth and flatlining productivity".

The TUC called on the Budget to get

"productivity rising by rebooting our skills system."

On exports and trade, they both said broadly the same thing. The CBI said the Government should

"work with businesses across the UK's nations and regions to kickstart an exporting boom".

On the supply of labour, the TUC said that

"acute labour and skills shortages are an albatross hampering UK growth."

The TUC said

"there is a recruitment and retention crisis in public services".

On the green economy, the CBI said:

"Going green is essential both for our international competitiveness and our energy resilience."

The TUC demanded that the Government

"institute the Green Jobs Taskforce with a long-term remit and regulatory capacity to co-ordinate planning for decarbonising our economy."

Some measures in the Budget are to be welcomed; there always are some. The changes on prepayment meters will help, more support for local charities will help and the replacement for the corporation tax super-deduction is absolutely essential—it could not be allowed simply to fall off the table. The problem is that even a cursory glance at the Red Book and the OBR forecast shows there is little to indicate that the Government have really understood, or are taking seriously, the issues raised.

On growth, the OBR forecast makes clear the impact of Government investment. It is negative in 2025, 2026 and 2027, and it will be a drag on growth for most of the forecast period. Productivity growth, even on the Government's favoured productivity per hour metric, does not reach 1.5% in any year of the forecast period—it is below the 2% historical rate.

The much vaunted £20 billion of R&D spend by 2024-25 has been announced three or four times, but it was not mentioned today. I assume it is still on the table, alongside the £1 million a year permanent annual investment allowance. I welcome these things, but the problem is that, with the inflation we have had and the inflation that is forecast, the money will not buy the £1 million a year or the £20 billion of R&D spend that was originally anticipated.

On exports, trade and the balance of payments, the current account balance remains negative for the entire forecast period. Being outside the EU single market remains a drag on the ability of firms to trade easily with our nearest neighbours.

To be fair, the Chancellor spoke a lot about the supply of labour. Employment is forecast to rise, but it will barely dent the labour and skills shortages throughout the economy. My view, and my party's view, is that only reversing Brexit and ensuring the free movement of people will do that. Even the current framework is instructive, is it not? With a 16-plus unemployment rate of 3.1%, an employment rate of 76.5% and an economic inactivity rate down to 21%, Scotland has the best employment, best unemployment and best economic inactivity rate of any UK nation. That demonstrates clearly that a competent and compassionate SNP Government can deliver on employment where the UK Tory Government are failing.

The Chancellor made great merit of going green. Some interesting things were said. The £1 billion a year or so investment in carbon capture and storage is to be welcomed, but we will look very carefully to see where it is spent. There was no mention, for example, of the Acorn project in Peterhead, which of course had £1 billion of funding pulled almost a decade ago. But the Chancellor did mention small modular reactors and nuclear power, which is at the heart of the Government's energy policy. Given that that is now back on the agenda, it is useful to look at the economics of it. On SMR, remember: this is pipedream stuff. There is not a single small modular reactor design that has even been licensed for use.

The primary mechanism to drive investment in nuclear is either the regulated asset base model or a guaranteed price for electricity with a strike price at almost double that of real renewable energy, linked to CPI for 35 years. There are loan guarantees to transfer project risk, including that of cost overruns, to the Government and then the taxpayer. There is a waste disposal service for spent fuel and other waste. The price of those contracts is set



according to the Government's methodology, but if the prices go above a cap, they too will be passed on to the Government and the taxpayer.

Then there is the commitment by Government to manage decommissioning cost overruns, even though it is impossible to know what they will be, because they do not become apparent until the decommissioning takes place—massive costs to the consumer and a near unlimited contingent risk placed on the taxpayer. But here is the rub when the Government call it “green” or “renewable”: allowing one or two generations to buy expensive, overpriced nuclear energy, nuclear electricity, and then forcing the next 50 generations to decommission, store and guard toxic nuclear waste is not green.

You will recall, Madam Deputy Speaker, that the Government introduced their new fiscal charter last year: net debt to fall as a share of GDP in the fifth year of a rolling programme and public sector net borrowing not to exceed 3% of GDP in the same year. When the OBR reported in the autumn, those targets were due to be met in 2027-28, with the figures being, if memory serves, 0.3%, 0.6%, £9.5 billion and £18.6 billion. They are forecast today still to be met but, interestingly, the net debt measure is now showing a margin of only 0.2%. That tells us, because the debt figure is different, that there is probably a little more headroom than was anticipated only four months ago.

Therefore, the expectation should have been that the Treasury did more to tackle domestic and business energy costs, particularly for small and medium-sized enterprises; that it continued to act to squeeze inflation down, where it had the power to do so; and that it ensured things within its control, such as public sector pay, the minimum wage, the state pension and social security rises—it did this in November—did not leave people any worse off. If it does not do that, energy price hikes, inflation and weak pay rises will continue to erode people's standard of living.

We know from the November OBR forecast that inflation was set to peak at a 40-year high and that wages and living standards were still set to be squeezed by about 7%, wiping out all the growth from the past eight years. What do we know today that we did not know then? We know that telecoms prices are due to rise; BT is putting its costs up by 15% at the end of this month. Grocery prices continue to rise—if you can get fresh produce at all. Grocery inflation rose in February to a record high of 17.1%. That will add the best part of £1,000 to the average family shopping basket throughout the year and we know that families are really beginning to feel the pain of increased mortgage costs.

So it is obvious that the Government had three urgent tasks today, all of which ought to have been designed to deal with the things that matter to the public. The first was to continue to support businesses that are struggling with high energy costs—not simply to freeze the “cap”, although it is not a cap at all, but to reduce it. They needed to recognise that this “cap” is an average and to pay attention to the fact that a UK average energy bill of £2,500 will mean one of £3,000 or £3,500 in Scotland. The Government should have supported the reduction to £2,000 and maintained the £400 energy bill support scheme.

Secondly, the Government ought to have continued to bear down on inflation. Forcing down energy prices would have helped with that, as it did last year—3.5% was the impact last year, and we would be talking about

another 2% this year at the current rates. The Government could have gone further by mandating the regulators to stop the blatant price gouging and profiteering by energy and telecoms companies.

Thirdly, as I have said, the Government needed to ensure today, or even to signal their intention, that when it comes to the things under their control—the next round of public sector pay, benefits, the minimum wage and pensions settlements—nobody falls behind. They could have gone further to introduce real fairness and raise more cash to really support the economy and boost trade. They could have ended non-dom status, but that was not mentioned today. They could have taxed share buy-backs, but that was not mentioned today. Instead of doing costly vanity nuclear power projects, they could have been scrapping them and investing in real, green renewables. And fundamentally, they could have been rejoining the EU single market, to give our exporters and our economy a fighting chance to recover.

**Several hon. Members rose—**

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. Before I call the next hon. Member, let me say that it will be obvious that a great many people wish to speak this afternoon. I would prefer not to have to put a time limit on, and we will manage without one if everybody sticks to about seven minutes. You can say a lot in seven minutes. If we cannot manage to have a self-imposed rule, we will put on a time limit. I call Priti Patel.

2.17 pm

**Priti Patel (Witham) (Con):** Thank you, Madam Deputy Speaker. May I open my remarks by welcoming you back to the Chair and saying how wonderful it is to hear you, as well as see you, in robust form?

As a former Treasury Minister, I understand the challenges that my right hon. Friend the Chancellor, his Treasury colleagues and all their officials have been confronted with, as well as the relentless lobbying from Back Benchers that they have faced in putting this important Budget together. I pay tribute to them all, and to the Chancellor in particular. The work that takes place in balancing the different, contrasting interests and representations received is difficult and challenging. Of course, no Budget will please everyone—there is no doubt about that. There will always be more demands for more resources, more simplicity and so on: I could read out a list, but I am not going to do that now.

Importantly, a key test for any Budget is whether it ensures that a robust framework is in place for sound money. Of course, that is what this Conservative party stands for in government; we believe in sound money, balancing the books, growing our economy and giving people the freedom to succeed, through many of the measures that my right hon. Friend the Chancellor has spoken about today. That test includes whether the Budget maintains a strong fiscal position and stability, and whether it delivers fiscal and supply-side reforms to enable the private sector to grow and flourish. He mentioned today a former Chancellor, Lord Lawson, who did exactly that. Those pillars are fundamental to the health, wellbeing and integrity of any sound policy, be it fiscal or monetary, for growing the economy, which then leads to supporting new jobs and creating wealth in our country in order to sustain public services. We

[Priti Patel]

should all dwell on that in considering what the Opposition parties are advocating, which would lead to greater instability and, I am afraid, more debt—I do not, however, want to get too party political at this early stage of my remarks.

I do believe that this Budget has combined many of those elements. We must bear in mind that we still face the challenges of the pandemic and of global inflationary pressures, which have disrupted our economy. Sometimes I feel that in this House Opposition parties fail to realise the extent of that disruption and the displacement it has led to in our Government's fiscal position. It is very significant.

What I like to see, and have seen today, is a Government who are not fearful when it comes to pursuing an ambitious, pro-growth agenda that seeks to reduce the tax burden; I will turn to that shortly. This Budget also makes good progress towards economic growth—this being a Budget for growth—which is also about investment in people, our economy and the long-term future of our country. I will mention a few issues in that regard. First, I ask the Chancellor to keep the wider approach to corporation tax under review. I am personally grateful to him for having heard me on this matter, and I absolutely heard what he said today about the £9 billion of tax incentives that will be put in place, which I understand will be tapered depending on businesses and their level of investment.

There is an important message here that we all know but perhaps have not spoken about enough: many businesses—although not all, because it depends on their size—have been sitting on vast levels of investment that they have not had the confidence to release for investment purposes. I have no doubt that today's measures will lead to them doing so, but as an Essex MP I have to think of the bulk of small and medium-sized businesses, to which we must put out the hand of support in particular. Thanks to previous policies under Conservative Governments, our country has seen the flowering of many thousands and millions of SMEs; I come from that background myself, as do so many others. We need those businesses to be the lifeblood of our economy, and to grow jobs and employment. Taxing businesses' profits, the increase in corporation tax and the changes that have been brought in will seem attractive but the devil will be in the detail, and we must continue to work through that.

We do not want to do anything to frustrate business investment. We believe in growth, which is why I was delighted to hear the Chancellor go back to 2010, reminding this House and the country of the struggles and difficulties we faced back then, which led to the start of the corporation tax cuts to help businesses grow. That overall direction of travel was supported on the Government side of the House, while the Opposition obviously had quite a different legacy. I believe that there is more we can do to unleash a wave of pro-growth business reforms and transform our economy even more, particularly post Brexit. Britain post Brexit is about international partnerships and bilateral agreements, but also about showing that we are the place to come and invest. It is about leveraging our markets—our capital markets in particular—demonstrating that we have the financial capabilities to continue to grow, and getting investment back into our country.

When it comes to the wider prospectus of the minimum rate of corporation tax, which my right hon. Friend the Chancellor has heard me and other colleagues speak about many times, we know that the introduction of the minimum effective tax rate will be delayed in Washington and in other countries, so I would just ask him again to think carefully about the timing of this. Why now? Let us focus on the budgetary measures he has announced today and ensure we do everything possible to unleash the business potential and economic growth that we desperately and rightly want to see. I will continue to work with him on that issue.

Let me turn to everything that has been announced today regarding enterprise zones, and unlocking the potential of our country and different regions in our economy, to which levelling up in particular, but also tax deductions, will be vital. This will help with future capital investment and supply-side reforms, which will help us to build our infrastructure, invest in people and disperse jobs around the country—and crucially among generations—in a way we have never seen before, or certainly not in my lifetime in Parliament.

I am delighted with the announcements on pensions, lifetime tax allowances, and childcare in particular; I was the Treasury Minister who, back in the day, worked to bring in tax-free childcare. It is important that we focus on low-income households—those who struggle to get their foot on the ladder when it comes to childcare, and even to get sustainable employment. When I was Employment Minister, I worked with my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) in the Department for Work and Pensions, where we saw so many challenges with the introduction of universal credit and wanted to make reforms to work capability assessments. Today's announcements are vital labour market reforms that will help to get more people back into work. I endorse the work of the Chancellor and colleagues across Government in that regard.

The Chancellor will not be surprised that I welcome his announcement that he is freezing fuel duty and keeping the reduction that was introduced last year. He understands the difficulties and pressures on household budgets, which he has spoken strongly about today. We are on the side of hard-pressed motorists and hard-pressed taxpayers; we have to stand up for them, as times have been tough. November's Office for Budget Responsibility report alone caused families concern, so the headroom that has now transpired is welcome. This is an important, welcome and great buffer for motorists and for the country.

Keeping fuel duty down will also help the Government to meet their ambitious target of reducing inflation. Everybody wants to see inflation come down for the right reasons. That is how we grow the economy. This measure will save hard-pressed families, as well as businesses, hundreds of pounds a year. I represent Witham, which is full of logistics firms. We have ports surrounding us, and we are very proud of their work. They will absolutely benefit from the freeze. We have a proud record of supporting the nation's motorists, including hard-pressed people, for 13 years—a record of which we should always remind everyone across the country. That, of course, compares favourably with the record of previous Governments. Families and businesses in London, Essex and the surrounding areas will look at what we have

done on fuel duty against what the Mayor of London is proposing with the ultra low emission zone. That is absolutely something else; it is a charge that will hit low-income families. While Conservatives are constantly tackling issues around high taxes, we should also be pushing out this challenge.

I will make a few other observations, including on infrastructure needs, which are particularly down to supply-side reforms. Essex is a county of entrepreneurs, and our road network is vital. My right hon. Friend the Chancellor has heard me speak about the A120, the A12 and all the fantastic roads that, I am afraid, are gridlocked. We need wider investment, because it is the only way to keep our haulage moving and our motorists travelling, and particularly to ensure that our transport is fit for the future. That comes from Treasury investment as well.

In the interests of time, I will conclude my remarks. I commend my right hon. Friend the Chancellor for the way in which he has approached this Budget. Last year, he said to me, “We will have a Budget for growth.” He is true to his word. There are areas on which I would like to follow up with him and Ministers, but I thank him for having engaged constructively, and for having listened to commuters and motorists, as well as to the voice of Essex and others around the country.

2.28 pm

**Dame Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): Madam Deputy Speaker, you would think from the noises on the Government Benches that this Budget was a triumph, but let us not forget who is responsible for the state of the economy today. Wages are lower in real terms now than they were in 2010 and we are growing slower than most members of the G7. Obviously covid and the war in Ukraine have knocked the economy, but it was this Government who allowed fraud and error under covid schemes to hit the billions of pounds, much of which, as the Public Accounts Committee has repeatedly highlighted, will never be recovered—billions that could have been invested in public services and many of the measures that the Chancellor announced today.

It was this Conservative Government, a Conservative Prime Minister and Chancellor, who crashed the economy last autumn and have left havoc in many people’s lives. Every time someone goes grocery shopping, every time the mortgage bill and statement arrives, and every time a rent statement arrives, people are reminded that it is the Conservative Government who have crashed this country, and it is Labour who will deliver a better solution.

I should say, in generosity to the Chancellor, that I do welcome a couple of points. The support for leisure centres and swimming pools is much needed and the prepayment meter changes are long overdue, so they are good to see. Scrapping local enterprise partnerships and giving local authorities the opportunity to lead in their area is also long overdue. Again, the Public Accounts Committee has repeatedly highlighted concerns about how LEPs spent money locally with no accountability; I am all for involving businesses and others in an area in decisions for the future, but for those to be led without accountability was unforgivable, so it is great to see that change finally coming through after much pressure.

It is necessary to see an increase in money for defence, partly because of the challenges thrown up by the war in Ukraine, but it is vital that that money comes with real rigour on spending and project management at every step of the way. The Public Accounts Committee has repeatedly highlighted the defence equipment plan, the efficiencies that never materialise and the overruns on cost. A mere rounding error on some of these large defence projects would build a new school or maybe one of those vaunted 40 new hospitals that we have yet to see.

I represent many great pubs in Hackney South and Shoreditch, so it is great to see an 11p reduction in duty on pints, but even if we take that into account, business rates are going through the roof and pubs are often tied to energy bills that are very high and have ramped up in some cases by more than 200%—one of my pubs had a 700% rise in its energy bills. Add to that rent increases and other bills going up, and 11p a pint will not make the difference—some of my pubs say they would need to charge £15 or even £18 a pint to break even. Even in Shoreditch, that would be an extraordinary and unachievable amount for people to spend.

I can see where the Chancellor is coming from, trying to get the footfall into pubs, and I applaud the idea, but he needs to get into the real world and maybe meet some of the publicans in Hackney South and Shoreditch. I will buy him a pint if he will look them in the eye and tell them that this is a success.

The childcare changes are something I have been campaigning on for a long time. I welcome them in principle, and it is heartening to see the Chancellor taking a leaf out of Hackney Labour’s playbook, since Hackney Council led a successful programme to give grants to childminders, encouraging them to take up the work so that places could be provided for working parents. However, quality is as vital as cost. I speak here as a working mother of three, having had a baby while in the House; I knew that those child carers were fantastic, and it was the quality of the childcare that allowed me to come and do my job. They are often not recognised enough, so it is good that we are talking about them today.

However, the Chancellor is borrowing here from the right hon. Member for South West Norfolk (Elizabeth Truss), the former Prime Minister, who proposed this “pile them high and teach them cheap” approach to childcare, and I worry about the change in ratios. I am heartened that it is only voluntary, but those voluntary changes creep in, and the money proposed will take a long time to deliver the people and places and the certainty childcare businesses and individuals need to invest.

If we do not get that right and those payments are not uprated, we will see that ratio increase creep in as the norm, and that will be a deterrent for many working parents. I would not have been able to come to work and do the job I do if I had not been confident in the quality as well as the cost of childcare. Of course, I am a privileged Member of Parliament who can afford quality childcare, but we need to make sure that is available to everybody.

The Budget does nothing to solve the fundamental problem in my constituency: housing. We have 8,500 people on the waiting list for council housing; there are many more who want it, but those are the ones who qualify



[*Dame Meg Hillier*]

under the rules, which are now quite stringent. On average, there is a nine-year wait for a three-bedroom property and a three-year wait for a one-bedroom property, but those are notional waits. Every week, I visit people on their doorsteps, go into their homes and see the overcrowding.

On Monday, someone came to see me at my surgery; he is living in the private sector, renting a one-bedroom flat. He, his two children and his wife live there. He works hard, he wants to save up to buy his own home, but he cannot do that while he is renting privately. He cannot get a council property because he cannot qualify, even with that level of overcrowding, and that is not the worst overcrowding I have seen. The week before, I visited a woman with four daughters in a two-bedroom flat, a tiny kitchen, one living space, and the tiniest bathroom—I have seen cubicles in Parliament that would be bigger than their entire bathroom.

That is a real challenge for people. Fundamentally, without a secure roof over their head, people cannot operate. That does not even cover the issues for “generation rent” in the private rented sector, but let us be clear: it is the Conservative party that ripped up the opportunity for people to have a safe and stable home. It is the party that has lived off the back of the right to buy—I will not go into that now—and has nothing to offer “generation rent” or people desperate for council housing who cannot afford to rent privately. It has done nothing on that, and I am very concerned.

On pensions, the problems with the lifetime allowance were first flagged by the Public Accounts Committee in 2012. Now, in 2023, it is being reversed. No Chancellor should ever be allowed near pensions: an announcement is made in the Budget about pensions, without an impact analysis over the decades that we need to consider, and without revisiting or uprating for many years. The change was out of kilter with other pension changes, which has caused ongoing problems.

Abolishing the lifetime allowance helps the richest 1%, but it does nothing for poorer workers. They are in auto-enrolment, which is a good first step, but it is nowhere near enough to stop the ticking timebomb of poorer pensioners, which will cost the Exchequer in benefit payments in years to come. It will also do nothing to reverse the exodus from work. It might stop some people in their tracks and make them think, but many will have already made their pension plans. Many have factored in the idea of a lower pension and—for doctors—locum work, or for others, a second job, and have decided that that is an option. That is built into people’s way of thinking after more than a decade of the lifetime allowance not being uprated.

Meanwhile, in Hackney, nearly one in two children live in poverty, and of those, 61% are in working households. There are small measures in the Budget that might help them a little, but not enough to tackle the real issue of the working poor in my constituency, and there is no hope on housing for generation rent and families who need it. Without that housing base, there is nothing they can do to improve their lot. They can work as hard as they want, but they will never be able to pay the rent. The measures are slim pickings for people who face systemic lifestyle challenges every day. The Chancellor has not delivered for them.

2.36 pm

**Dame Andrea Leadsom** (South Northamptonshire) (Con): I take a different view from the hon. Member for Hackney South and Shoreditch (Dame Meg Hillier), for whom I have great respect; I feel that this is an excellent Budget and I would like to set out some reasons why, as well as some questions for the Chancellor and his team.

To start with, the cost of living is obviously the single biggest issue for all our constituents, and has been for some time. The fuel duty freeze is an excellent and essential decision, but again, like my hon. Friend the Chair of the Treasury Committee, I wonder why we continue to have that automatic fuel duty rise. It was introduced by the last Labour Government and is always costed into every OBR forecast, giving people concern; perhaps it needs to be scrapped altogether.

On energy bills, it is fantastic to be giving people that extra bit of support until the spring when it gets warmer, they are not using fuel so much, and it is widely anticipated that bills will come down anyway. Again, however, I would like to see the Chancellor giving thought to encouraging energy suppliers to offer term-fixed rates, as we have with a mortgage, so that people can have a fixed rate for their energy bills for the next one or two years.

**Caroline Lucas** (Brighton, Pavilion) (Green): I go back to the fuel duty issue, because I know the right hon. Lady has been concerned about climate change, at least in the past. The freeze in the fuel duty has meant that emissions have gone up by 5%, while the Treasury has lost out on billions in funding. If she really wants to help hard-pressed drivers and others, why not look at a wealth tax, for example? A wealth tax on the 1% richest people could raise up to £70 billion. She could then help not only those drivers, but public transport and the public sector people who are out on strike right now. They are out on the streets wanting more funding, so why is she not doing that?

**Dame Andrea Leadsom**: I agree with the hon. Lady that decarbonisation is vital, but where we part company is that I think people have to live in the meantime, and some of the ideas she puts forward are utterly unworkable and impractical.

The measure on childcare costs is fantastic news and will be transformational for so many families. I know that lots of colleagues across the House have been campaigning for that for a long time. I would, however, ask the Treasury team to consider going further by considering an attendance allowance for grandparents who look after their grandchildren. That is something that so many families would like to take advantage of, but too many grandparents simply cannot afford to do so because it means giving up their income; in fact, it will cost them money.

We also need a further look at childminder regulation. One regulation is the requirement for fire doors throughout the house, which is a huge expense for a childminder who wants to start up. Of course, that is a huge obstacle for people who want to offer flexible choice for families.

On quality of life, the Budget also goes a long way towards helping people. In particular, it will help into work people with disabilities and long-term illnesses. Some constituents who come to my surgeries are desperate

and feel that they are on the scrapheap because nobody will give them a job—it is so difficult—so I really applaud the measures.

It is right to help people with up-front childcare costs when they are on universal credit. I had a Ukrainian family staying with me. They had an eight-year-old daughter and a two-year-old daughter, and helping my guest to apply for universal credit, and then for the childcare element, was a huge issue. Inevitably, I could lend her the money for childcare costs, but for somebody who cannot get that, the help in the Budget is absolutely essential.

On help for the over-50s, I absolutely applaud the Government for encouraging and providing support to get people back into the workplace, but again, I highlight the fact that it is often women over 50 who find that they are applying for job after job and getting nowhere. Often, it is because they have been out of the workplace for quite some time.

The pension cap and annual allowance measures are fantastic news. That is something on which I agree with the hon. Member for Hackney South and Shoreditch: this should have been done a long time ago. There is no question that the cap has encouraged people to think, “Well, there is no point carrying on working because I can’t improve my quality of life in retirement.” Although those sums sound like a lot, they do not actually deliver a decent pension, so I think that the measures are essential. Sadly for many colleagues in this House, that might even keep me working. [HON. MEMBERS: “Hooray!”] Thank you! It is important that we continue to look at the issues for those who have already fixed their maximum pension cap in recent years. Some fixed it at £1.2 million or £1.4 million. What are we going to do about them? That will be an issue for some people.

The draught beer duty freeze is fantastic and will really help pubs—a great quality-of-life move—but in my South Northamptonshire constituency, which includes 92 villages, we need buses so that we can get to the pubs. There was nothing on buses, so that is another pitch.

The pothole news is fantastic, but let us see some innovative ways of fixing them. Too often, a pothole gets fixed but, a couple of weeks later, there is another pothole where it was, so we need to think about that. We also need to think about clearing litter from roads. We could do a lot more about such quality-of-life issues, which have badgered us in our constituencies for so long. On quality of life: great, but there is more to do.

The tax incentive to invest in new plant and machinery assets will be a massive boost for business. The Chancellor is absolutely right to focus on GDP per capita by improving investment and reducing lower-quality jobs. We have to move to more automation, more use of technology, and better quality, higher-paid jobs. It is absolutely right to do that.

The Chancellor is also absolutely right to focus on R&D and science. He gave very impressive statistics on the UK’s performance in a globally competitive environment. Certainly, our progress is strong. When I was Secretary of State for Business, Energy and Industrial Strategy, I met amazing businesses in space technology and cutting-edge life sciences, as well as in nuclear. I visited the brilliant fusion project at Culham, and worked with the Rolls-Royce-led consortium in small

modular reactors. I absolutely applaud the Chancellor’s commitment to nuclear, as well as to carbon capture, usage and storage. The big challenge of our age is keeping the lights on, keeping the cost of bills down and decarbonising. We cannot do any one of those things on their own; we have to keep that energy trilemma in balance. That is the critical challenge of our age.

I think there is much more that the Government could and should be doing to build more electricity infrastructure, to promote more renewables with much better local payback and to make homes and businesses far more energy efficient. Too little work has gone into that. I commend to my hon. Friend the Financial Secretary to the Treasury, who is on the Front Bench, the report of the 1922 Back-Bench committee that I chair on the future for energy. The report has a wealth of practical actions—29 of them, in fact—and I urge the Chancellor and the whole Treasury team to take a close look at it.

On finance, I was, like many, heartily relieved by the OBR’s revised forecasts today, but I wonder: does the Chancellor worry about the impact of forecasting on business and consumer confidence? I worry that some of the incredibly negative forecasting that we have seen recently can become a self-fulfilling prophecy. I see the astonishment on the faces of some Opposition Members about the great achievements of the UK since 2010, from halving unemployment and reducing poverty to the huge growth in female entrepreneurship and the success of levelling-up right across the UK. There is so much to be proud of but, as many of my constituents ask me, what more can we do to get the positive messages across? The same is true of Brexit. From new trade deals to freedom on taxes and subsidies, to improved financial regulation and our influence in the world, how can the Chancellor ensure that we are getting the positive messages about Brexit across to our constituents?

Finally, I make a plea as an ex-City Minister and someone who sat on the Treasury Committee in 2010, when the last Labour Government wrecked our economy. Many good reforms have been made to strengthen the banking sector, and I urge the Chancellor to keep the ring-fencing in place.

**Several hon. Members rose—**

**Madam Deputy Speaker (Dame Rosie Winterton):** I emphasise that it is not fair on others when Members do not stick to the guidance given by the Chairman of Ways and Means, which was for seven-minute speeches. That may well have to go down. I urge colleagues to be mindful of that advice. I call Sir George Howarth.

2.46 pm

**Sir George Howarth (Knowsley) (Lab):** Thank you, Madam Deputy Speaker. It was a pleasure to see the Chairman of Ways and Means in her place earlier.

As with most Budgets, the next few days will show the extent to which the Chancellor’s rhetoric and the measures that he has announced stand up to scrutiny. The early indications are, as my right hon. and learned Friend the Leader of the Opposition pointed out, that they do not undo the damage of the last 13 years or resolve the doubts about the strategic economic direction for the future.

[Sir George Howarth]

Two problems have already been highlighted. The Office for Budget Responsibility forecasts a 5.7% fall in real incomes of over the next two years. That means that the cost of living crisis that many of our constituents are facing in very real terms will continue. The second problem is that, adjusted for inflation, real wages have fallen recently by about 3.2%. The Chancellor has in the Budget signalled measures to boost productivity. Of course, that is important in principle, particularly given our need for greater economic growth, which he also referred to.

The Financial Secretary to the Treasury, who I am pleased to see in her place, and the hon. Member for Altrincham and Sale West (Sir Graham Brady), and others from various parties across the House, are aware that last year I tabled a ten-minute rule Bill aimed at reforming employee share ownership schemes. As such, I welcome the reference in the Red Book to the research that the Department has commissioned into those schemes—how they are doing and how they can be improved—as well as the engagement we have had with the Financial Secretary, which is much appreciated.

I take this opportunity to give notice that the hon. Member for Altrincham and Sale West, subject to the provisions of the Finance Bill, hopes to table an amendment that would create a new employee share ownership scheme for the benefit of low-paid workers. That proposal, in addition to helping those who are vulnerable to the still-acute cost of living problems to achieve greater financial stability, would boost productivity in the companies that take such a scheme on board. Moreover, I believe that the Financial Secretary is favourably disposed to such a scheme, at least in principle—whether or not she will accept our amendment remains to be seen—and I would be grateful if she could give some indication of her willingness to continue to work with the hon. Member for Altrincham and Sale West, and with others from all corners of the House, to bring about the sorts of changes that we hope to achieve in employee share ownership.

2.51 pm

**John Redwood** (Wokingham) (Con): Madam Deputy Speaker, I have declared my business interests in the Register of Members' Financial Interests.

I strongly welcome all the measures in the Budget to try to help more people into work. The Government are absolutely right that we want to move away from the model of always inviting in many hundreds of thousands of people from abroad to take low-paid jobs here. We need to work away at having more worthwhile and better-paid jobs here, with the right supporting investment and training.

I look forward to seeing the benefits in my constituency of Wokingham: more and cheaper childcare of a decent standard, better help for the disabled, improvements in the tax and benefits system so that it is even more worthwhile to go into work, and any supporting training packages or confidence-building activities that may be needed so that those people can get into jobs. Those benefits are very welcome, and they will make an important contribution, not just to our economy and its prospects, but to our wider society.

Where I take issue with the Chancellor and the Government is over their correctly specified need to boost investment and to get a lot more company activity in growing what we do here in Britain. I welcome the aim, and I of course appreciate that the 100% first-year allowance will be helpful. However, we need to remember that it is a replacement for an even more generous allowance, and that it is coming in at the same time that the Government propose a 31% increase in the rate of business taxation on profits.

On a couple of occasions in the past, I led industrial international companies, and as I have no more interests in those areas, I can draw some conclusions from my experiences. When we were making decisions about where to put the new product or the new investment, where to expand the workforce or where we might need a new factory, the headline rate of taxation in any country on our longlist was, of course, a relevant consideration. When we got down to a shortlist—countries with high rates did not tend to get on to that shortlist, unless we were already there—we then did detailed analyses of the project. Any first-year allowance or initial allowance would make a positive difference, but if over the 20 or 25-year life of the factory or project under consideration we would be paying 31% more profits tax, it would clearly not look nearly as good as it does this year in the United Kingdom, when we have one of the lower tax rates in the world.

The Government need to understand that at exactly the time that they are putting the rate up, our competitors are going the other way, particularly the United States of America. Although the Government say that its headline rate is slightly higher than ours, the details of the Inflation Reduction Act make it very clear that there will be all sorts of tax breaks, incentives and subsidies for a wide range of industries, including some of the industries that the Government wish to target here, such as digital and green. That will be a very important counter-magnet for the investment that we could otherwise get. The United States is, like us, an English-speaking country with common-law principles and so forth; it has many advantages, and we need to have a better offer to counter those.

Even closer to home, we have proof that lower corporation tax rates work for businesses and for the society that uses them, in the Republic of Ireland. The Republic of Ireland has the lowest tax rate of the main advanced countries competing for investment. A relatively small country, it has achieved giant steps in attracting large amounts of investment—much of which would, I think, have otherwise come to the United Kingdom—by having a much better rate of corporation tax. The proof that lower rates produce more revenue and help growth is that GDP per head is much higher in Ireland than in the United Kingdom, and business tax raised per head is much higher in Ireland—four times higher, I think—than here at home in the United Kingdom. As such, I ask the Government to look again at that issue.

The final point that I can fit in is that the Government need to look at this issue on a sector-by-sector basis. The energy sector is capital intensive. It is one of the areas where we could get a lot of big investment quite quickly with a lot of very well-paid jobs. We could improve our national energy security, cut the import bill and gain an awful lot of future tax revenue, because we tax energy at a much higher rate than other things.



However, because we now have this incredibly complicated system with price controls on domestic energy, windfall taxes and carbon taxes—as well as subsidies to the industry itself because we realised the difficulties that those high tax rates were creating—we are causing complications. More importantly, we are putting off many big potential investors who would otherwise get more oil and gas out of our reserves, produce more deliverable renewable power and help to expand the grid, which will need to happen if we are going to carry on with those developments.

If we take heavy industry—ceramics, steel and so forth, which are big energy users—I think we have the highest carbon taxes of any major country. We have some of the highest energy prices on top of those very high carbon taxes, which means that we are not competitive in areas such as steel and ceramics. The Government then have to provide taxpayers' money to those businesses, giving back some of the tax revenues in the form of subsidies, but that is often too little, too late, and we end up losing capacity. As such, I say to the Government, "Stop this subsidy, windfall tax, high-tax model. It is not working for the businesses, it is not working for our country, and it is not raising additional revenue to spend on other things."

I am conscious that colleagues wish to get in, so all my other analysis and comments will be put on my website in the usual way.

2.57 pm

**Dame Angela Eagle** (Wallasey) (Lab): I will go straight to the right hon. Gentleman's website as soon as his analysis is up there.

Despite all the growth and back-to-work billing from Tory Central Office, this was a Budget that was treading water and going nowhere fast. There was nothing effective on falling real wages, which are now in a slump not equalled since the Napoleonic war. In fact, the OBR says that wages are expected to fall by 5.7% over the next two years—the largest fall since records began. After 13 wasted Tory years, we have a productivity problem so entrenched that the UK is now the only G7 economy that has not yet returned to its pre-covid pandemic levels of output, and the Bank of England does not expect that milestone to be reached until 2026 at the earliest.

Before Government Members start blaming global factors for this, global factors do not explain our alarming relative decline. They do not explain why, under this Government, the UK is stuck in the economic slow lane. All economies have had to deal with the impact of the covid pandemic and the war in Ukraine, but only the UK has managed to go from being one of the most robust economies in the G7 to one of the weakest. The decade of austerity that followed the banking crisis left us unprepared for future challenges, and Brexit has had a further dismal effect on our economic prospects. Both were deliberate Tory choices.

**Ian Paisley** (North Antrim) (DUP): It is important to recognise that Ireland has the highest rate of debt in all the EU. The UK does not have that. Does the hon. Member not recognise that the issues raised today with regard to fuel will help vast rural constituencies such as mine and will address, in a way that has not been the case before, the mobility of people who are poor?

**Dame Angela Eagle:** I am coming to some individual issues later, but obviously the fuel issue is important to those in constituencies such as that of the hon. Gentleman.

The self-harm of unilaterally deciding to impose trade barriers on our closest trading partnerships was unique to the UK. It generated huge regulatory uncertainty for business, hindered the recruitment of workers and has done immeasurable and senseless damage to our economic prospects. The OBR forecast said that Brexit would cost up to 4% of GDP—twice the losses inflicted by the covid-19 pandemic—and it has. In fact, today's OBR document shows that trade is down an alarming 15%. That is the record for which this Chancellor and the Tory party must take responsibility.

After 13 years in office, the Tories have given us: five Prime Ministers, with three in the past six months; seven Chancellors, with four of them in just three months; and the catastrophe of last September's mini-Budget and the meltdown in the bond markets that it caused, unremarked upon by Government Members in today's proceedings. They have shredded the UK's reputation abroad and were the opposite of fiscally responsible.

It is little wonder then that during this incoherent chaos the Government have delivered us the worst of all possible worlds. We have the highest tax burden for 70 years—up again as a percentage of GDP in the OBR documents today to 37.7%—alongside crumbling infrastructure and overstretched public services. Do not forget that this Chancellor has pencilled in £55 billion more of austerity cuts in public expenditure, to begin conveniently after the next general election. Today, he announced a mere 1% increase in departmental spending in the future, which is ongoing and damaging austerity. We see our NHS teetering on the brink, with 7.2 million people on waiting lists and record job vacancies; our transport system is not fit for purpose; and the privatised water industry pollutes our waterways with sewage, while shareholders and executives pocket massive profits and put consumer prices up. We see a brutal cost of living crisis juxtaposed with soaring levels of private wealth for the few, and the pension tax cut for the top 1% will make that worse.

The last proper Budget was delivered in this House in October 2021, not by the Chancellor's predecessor, or even his predecessor's predecessor, but by the current Prime Minister, who was the Chancellor's predecessor's predecessor's predecessor. This farcical string of irresponsible Tory Administrations has delivered only uncertainty, turmoil and chaos. What they have not delivered is the business certainty or political stability upon which economic prosperity can and must be built, and we have all paid the price.

There is only one answer to dysfunction and incompetence on this scale: a wholesale change of the entire management, and I do not mean the pretend change that this Chancellor and the unelected Prime Minister represent. All of them are culpable for the bleak economic performance. Those who caused the problems are incapable of fixing them. The Bank of England forecasts that growth will be virtually non-existent this year and anaemic next year.

The OBR reveals that the economy will shrink by 0.2% this year, and it has downgraded the UK's long-term forecast in all years afterwards. We did not discern that from what the Chancellor had to say in his Budget

[*Dame Angela Eagle*]

today. This contrasts with an average annual growth rate of 2.7% achieved between 1998 and 2007 by the last Labour Government. If that had been replicated since 2010, GDP would now be £800 billion higher. Had that happened, we would have been able to collect £300 billion in tax revenues to prepare our economy properly to face the future.

In this Budget, there is little sign of the strategic planning needed to improve productivity performance, and therefore growth. That is perhaps not surprising from a Government who for 13 wasted years have completely failed to develop an industrial strategy worth the name, as they do not really believe that Governments have any legitimate role in guiding markets.

We are in the middle of a brutal cost of living crisis, with sharp falls in household living standards, for which Government policies are not adequately compensating, despite the Chancellor's welcome extension of the current energy cap until summer. Even with extended public support, energy prices are due to be 20% higher than last year. Soaring inflation has hit the poorest hardest, because energy and food costs take up a larger share of the income of the poorest. Mortgage costs are also rising, with interest rates costing those who have to refix their mortgages up to 10% more. Many are paying the mini-Budget premium as the costs of the Tory chaos last year. Rents are rising steeply, while real wages are falling for all. For those in the public sector, they are falling for the 12th successive year. Today's Budget had nothing to say about that.

Real wages are below where they were 18 years ago, and this decline is forecast to continue for at least this year and next. The Chancellor's decision to instigate a stealth tax by freezing income tax thresholds will reduce take-home pay substantially and make the cost of living crisis worse for many already teetering on the brink. The OBR shows that these stealth taxes will raise £29.3 billion because of fiscal drag, equivalent to a 4p increase in the basic rate of tax, dragging nearly 6 million people into higher tax rate bands for the next few years, and we did not hear the Chancellor refer to that in his Budget either.

3.5 pm

**Mr Ranil Jayawardena** (North East Hampshire) (Con): The Chancellor always has people asking for more than he could possibly grant, but what I know is that everything that we on the Government Benches ask for is designed to help back British businesses and to go for growth, so that we can create more jobs and boost people's wages. We do that because all of us know that it is not just about those policies, particular taxes or lines of expenditure, but people and their families out there. This Budget makes positive steps to support families and to ensure that we are supporting the future of our country by helping with childcare, providing the footings for a great education, helping people to get a GP appointment and clearing the NHS backlog.

On that last point, to which I would like to turn first, the abolition of doctors' taxes in this Budget shows that tax reform does not necessarily mean putting money in people's pockets, good though that is. Tax reform can be for a simpler tax system that creates positive outcomes

for our country and backs our public services. By abolishing the lifetime allowance, and by increasing the annual allowance and the money purchase annual allowance, we are helping people to provide for their own futures and supporting our NHS.

I ask my hon. Friends on the Front Bench and the Chancellor to bear in mind that there is always more to do. There are still tax traps for some of our doctors. For example, there is the 62.5% tax trap between £100,000 and £125,000, which affects some of our most qualified medics, whom we want to retain in our NHS to help provide the care we need. The rate goes down to 45p after £125,000, which shows that it is a trap, and I hope that the Government will look at that in the weeks, months and years ahead. There is also a 71% tax trap for families between £50,000 and £60,000, which affects some of our younger doctors, and we should be finding ways to deal with that.

I welcome the Chancellor's commitment to helping families with the cost of childcare specifically. It is a great starter for 10. Finding ways to keep down the cost of childcare for parents is important, but we must not lose sight of keeping down the cost of childcare for the taxpayer too. It is extraordinary to see some on the Opposition Benches and elsewhere attack the alignment of the system in England with the system in Scotland, increasing the ratio from 1:4 to 1:5, but what is missing is choice. For 25 years, the consensus has been that everyone should go to work, and the state will provide ever more free childcare, except that it is not free—taxes are at a 70-year high—and I contend that choice is missing from the equation.

Instead of a one-size-fits-all system from Whitehall, families should be able to decide what works for them. Instead of the Government dictating how many hours of free childcare and from who in the years ahead, how about moving to a system of tax reliefs, so that parents can pay for the childcare they want, and from whom they want? Indeed—a radical thought—one parent could even choose to stay at home, allowing the other to work extra hours, if that is what they want to do.

I therefore urge the Treasury to consider reigniting the review into family taxation. Things may have changed since 2019, but I recall that in 2019 single people without a family paid 8% less tax than the OECD average, but a single-earner couple, with two children, paid 26% more. There is an injustice in this that I hope the Government will address in the not-too-distant future by commissioning a family tax review.

That tax review should reflect the fact that familial support not only for childcare but for elderly relatives provides about £1 trillion of unpaid care in this country, which people could decide to pass to the state. I do not believe that is desirable, and I believe that the state should in turn provide the environment that allows people to take responsibility for themselves.

On wraparound childcare, this is an excellent step to help working parents and for them not to have to worry about what happens after school time, but I urge the Government to ensure that we give that money directly to schools and academies to do what is right, providing a co-curricular offer that is suitable for their particular community and their children, who they know best, rather than any Government Department, or indeed any local authority.

We cannot pay for any of this without strong British businesses, and I welcome the full expensing of the business investment. This is a good step to ensure that businesses can take decisions today, but as my right hon. Friend the Member for Wokingham (John Redwood) mentioned a moment ago, we should still seek to revisit corporation tax in the months and years ahead, because any increase in corporation tax will make us less competitive, reduce investment in the long run and stifle job creation, all of which are required for growth. We have seen that with AstraZeneca deciding to move what would have been a £300-million investment in north-west England to Ireland, which means not only a lack of business taxes being paid in this country, but also the personal taxes that would have been paid by the hard-working people who would have worked at that plant. It is not necessary to believe me: even the Institute for Fiscal Studies says the increase in corporation tax will not raise the expected revenue currently suggested by some, and Europe Economics says it will muffle our growth potential, with £30 billion less over 10 years.

I offer one final idea: I urge the Chancellor to look at the VAT threshold for small businesses into the future. Today it stands at £85,000: it has been there since 2017 and is planned to remain there until at least 2026. The fiscal drag means that 60,000 extra businesses are being dragged into this threshold, which halts their growth and pushes them into the grey market. A £250,000 profit is the threshold in the new planned corporation tax and perhaps it provides a round figure for a £250,000 turnover threshold for VAT registration in the future. By not increasing corporation tax or reversing it in the future, by raising the VAT registration threshold and by reversing IR35—which other Members may mention, but I will not—we would be delivering a £67 billion boost after 10 years on top of other growth in the British economy. Investment would be up, jobs would be created, and it would pay for itself.

3.13 pm

**Sarah Olney** (Richmond Park) (LD): Families were looking to this Budget for support, but the Chancellor, instead of throwing them a lifeline, has thrown them under the bus. Mortgage bills are up, the cost of the weekly shop is up and energy prices are up, all because of Conservative chaos, yet this Government have offered no immediate help with the cost of living. They are so out of touch they might as well be on a different planet.

The Chancellor could have done so much more if only he cared enough. He had enough money in the Treasury to cut people's energy bills by £500 and take them down to last April's levels, yet he simply chose not to. And while he may claim he is extending support, that is simply not true: people will pay more for their energy this year than they did last year, not less—even though gas prices are falling. In three months' time there will be no extra help in place whatsoever. The £400 payment is also gone. Fuel poverty will get worse, not better. The Government will now cut energy support for businesses by 85%. Those shops and restaurants that will not be forced to close will have little choice but to raise their prices. The price of food, clothes and the pint in the local pub will all go up, and all because the Government are cutting support to businesses.

We heard the Chancellor say that this Government will grow the economy by getting people back to work, but his plan is merely tinkering around the edges of a

system broken by his very own Government: changing pension rules that will not benefit the majority of people; piecemeal changes to a childcare system that needs wholesale reform; and forcing people with ill health to work by threatening to take away their benefits. Are we really meant to believe that that is the recipe for economic growth?

On this Government's watch, more than 7 million people are waiting for treatment in the NHS and thousands cannot get discharged from hospital when they are ready because there is no one to look after them. I have some news for the Chancellor: people are not off work because they are on the golf course; they are off work because they are stuck on a hospital waiting list. We cannot fix the economy if we do not fix the workforce, and we cannot fix the workforce if we do not fix the NHS and social care. Giving care workers a pay boost of £2 an hour would be a good way to start. Finally, we should be fixing our crumbling hospitals, which are crying out for some proper investment, but the Government simply do not get that.

Liberal Democrats have been championing the need for properly funded, genuinely free childcare for years, but unless the Government fund free hours at the actual cost of providing them, they will make the problem even worse: a lack of providers and eye-watering fees for full-time childcare. It takes real nerve for the Chancellor to say he wants to get more people into work when he is the one who froze the personal allowance, an unfair stealth tax penalising people for every extra pound they earn.

Do not take it from me that this Government have no idea how to grow our economy: just look at the figures. Under this Conservative Government, the UK is the only major economy that is still smaller than before the pandemic. The International Monetary Fund expects Britain to see the lowest growth of any other G7 country. While, thankfully, it looks like a recession could be avoided, this Government seem content with growth moving at a snail's pace. If the Bank of England is right, the Government's economic policy could keep long-term growth stuck at 1%. What does the OBR make of the announcements we have just heard? By 2028, they will add no more than 0.2% to our GDP. What a waste that would be of all the talent and ambition I see across every part of the UK.

However, there is no greater indictment of this Government's economic policy than their track record on living standards. The OBR today warned of the largest two-year fall in living standards in almost 70 years. According to the Resolution Foundation, the typical household income saw a hit of £700 this year and it is about to fall by another £1,100 over the next year. What is more, over half of that—£650—is due to Conservative tax rises. That is an eye-watering £1,800 over two years taken away by Conservative chaos and tax rises.

**Mr Jayawardena:** Will the hon. Lady give way?

**Sarah Olney:** No, you've spoken.

This Government are letting people down all across the UK. In very tough times, the British people have shown remarkable decency and strength, but they are finding it harder and harder to make ends meet. Nearly 3 million people are expected to fall into poverty over the next two years, and in four years' time over a third



[Sarah Olney]

of children could be growing up in poverty—the highest point this century. That is the true cost of the cost of living crisis under the Conservatives.

That is why Liberal Democrats are calling for more help with energy bills and mortgages and investment in our public services. Many of these people will either be carers or be receiving care from a loved one, so one thing the Government could do to help right now is finally to raise the carer's allowance. That would go a huge way towards helping some of the most vulnerable among us. All it takes is a Government who really care, rather than a Government who make people pay for their own mistakes.

3.18 pm

**Kevin Foster** (Torbay) (Con): It is interesting to follow what we have just heard and reflect on where our energy supply would be if we had new nuclear reactors coming on line last year. The then Deputy Prime Minister, Nick Clegg, claimed about 10 years ago that it was not worth doing them. It is also interesting to reflect where motorists and household bills would be if we had listened to the resolution at a Liberal Democrats conference to reintroduce indexation of fuel duty. So I did find some of the comments we have just heard rather interesting.

Today's Budget comes at a challenging time globally, including in the rest of Europe, so much of the package that has been announced is welcome. The Chancellor rightly focused on the fact that one of the best tax cuts he could deliver is cutting inflation, particularly as that helps to ease the pressure on family budgets, and there is a lot to like in that regard.

On the energy price guarantee extension to July, wholesale energy market prices are now starting to come down, which is encouraging, as is the additional three months of support that will now be provided. I particularly welcome the change on prepayment meters because it always struck me as rather odd that those already struggling to pay their bills, who are put on to a prepayment meter because of the danger of non-payment, have to pay the highest rates of the lot. The era when someone had to go round and collect money from a meter is long gone. The systems that manage it are digital and automatic, so there is no reason to have that differential and for some of the poorest in Torbay and across the country to face that premium charge. It is welcome to hear about the move to abolish that.

The freeze on fuel duty for the 12th year, and keeping the 5p reduction, will be welcomed not just by motorists who have to fill up their tank. We must remember that it affects the cost of virtually everything in the shops, because the vast majority of products are delivered by road. It is welcome to see that change.

I certainly welcome the extension of free childcare to one and two-year-olds, which will get more people into work. I also welcome the fact that the Chancellor recognised that it is about not just increasing the hours for parents, but making sure that there is an appropriate funding package for providers. That cannot be done easily, but I welcome the fact that he clearly listened to the representations made by the sector.

On what many people called the doctors' tax, the changes to the pension allowances and the abolition of the lifetime allowance, it is absolutely clear that there

are doctors and skilled professionals who would be working in our NHS today but for the fact that they have hit the lifetime allowance and were penalised through their taxes for carrying on working. It is extremely welcome to see that change being made. Obviously, an annual allowance prevents it from being a way to commit larger-scale tax avoidance, and it means that those who want to carry on working are not penalised for doing so.

There are areas where I would have liked the Chancellor to go further—I think virtually all hon. Members would say that. For example, it is disappointing that one of the 12 investment zones is not in the south-west. I would also have liked us to build on planning reform in areas where local authorities are signed up to doing so. Our town centres, because of the advent of online shopping, probably need the type of regeneration and alteration to their purpose and structure that we saw with the introduction of the motorcar some 50 or 60 years ago as the main method of people travelling into them. We cannot go on as we are. For me, it made eminent sense to allow some flexibility in places such as Torquay and Paignton town centres where the local authority supported that move—perhaps we will see more development on that in future.

Like my right hon. Friend the Member for Wokingham (John Redwood), who is not in his place, I am sceptical about how much income will be produced for the Government by raising the corporation tax rate. I note some of the changes that have been made, however, and it will be interesting to see their impact on investment.

There was a time when Torbay rarely featured in lists of Government funding announcements, but we have seen a welcome change in the last eight years with the town deal, the future high streets fund, the new stations fund and the building a brighter future project for Torbay Hospital, which could be the largest single investment in Torbay's health services since the creation of the NHS in 1948. I could cover at length the lack of delivery of some of those funded schemes by the Lib Dem-independent coalition on Torbay Council.

I hope that today is the start of getting on with the job of delivering in our bay, particularly given the news in the main Budget document that it will be a levelling-up partnership area. In areas such as Blackpool, I have seen how, when the Government focus and work together, they can start to drive projects forward; I hope that we can look forward to that in our bay. I also welcome the fact that there will be a third round of the levelling-up fund. It is vital that this time, Torbay has a strong bid that can get the funding needed to level up our community.

I accept that delivering a Budget is a difficult job, because there will always be more demands than resources to meet them. There are more general aspects to welcome, such as the increase in defence spending, particularly given the defence interest in south Devon and across the south-west. Overall, this is a good package that will deliver for people and shows that the Chancellor has taken on a difficult job and is doing it well. I will continue to speak up about some of the areas where I believe we could do more and where I hope we can go further, particularly in relation to Torbay, but overall, this package will be broadly welcomed. As we have seen so far in this debate, no serious alternative is being presented by Opposition Members.

3.24 pm

**Seema Malhotra** (Feltham and Heston) (Lab/Co-op): The first test for the Budget was whether people would be better or worse off as a result. The Chancellor has failed that first test, because the OBR's forecast and analysis delivers a damning verdict. In its executive summary, it says that real household income is due to fall by 5.7% in the next two years, which is "the largest two-year fall since records began in 1956-57", with living standards lower than pre-pandemic levels even up to 2027-28.

There was no mention of support for mortgage prisoners and the Chancellor missed the chance to end non-dom tax status, which could have helped to fund an expansion of the NHS workforce. His pledge for potholes is all very well, except that the highways maintenance budget was cut in 2021 by £400 million, which would have been enough to fill 8 million potholes. There is good progress on childcare, prepayment meters and supporting the over-50s back to work, but all that is playing catch-up with where Labour has been.

My starting point is optimism and ambition for what Britain can become, and how we can rebuild our economy and restore our reputation for trust around the world after the devastating damage particularly done by September's mini-Budget. That needs a serious plan for stability and growth, however, that commands confidence and makes Britain the best place to invest and to start or grow a business.

We know that it is the Government working in partnership with industry that will help British businesses to thrive, grow and invest if we are ever to achieve any of our goals, whether they are making all parts of the country better off or getting on track for net zero. The investment that businesses undertake to develop products and services, increase productivity, and create jobs is the most crucial ingredient.

The challenge that we have in the UK is that business investment has been lagging for years because of 13 years of Tory failure. That was a problem before the pandemic and the war in Ukraine, and makes it much harder for us to recover from those shocks. It is a consequence of the low-growth, low-productivity and high-tax economy that the Government have created. The continual chopping and changing of Government policies and priorities has made our economy less stable and has contributed to falling living standards, falling business confidence and falling consumer confidence.

In that context, let me speak to today's Budget—what a missed opportunity. We needed to see a strong, serious industrial policy framework for the long term that businesses could trust and that could bring clarity, consistency, stability and certainty, which are even more necessary in the uncertain world that we face. Today's Budget did not even come close, however, which is not surprising as the Government have spent the last few years watering down their industrial strategy and hoping that nobody will notice. The only E here was for everything but a serious plan. What a contrast that is with Labour's clear strategic missions and priorities for the British economy and our goal of securing the highest sustained growth in the G7.

What we have seen today is little more than tinkering around the edges, more sticking-plaster politics and more attempts at short-term fixes, with a handout for the richest 1% slipped in. This Budget falls way short of

the wider plan for green growth that our businesses and communities have also been calling for. The Chancellor announced a £20 billion investment over two decades to create carbon capture technologies, but, as ever, this is yet another poor imitation of Labour policy.

There has not been nearly enough of such policies. Last September, over 200 leading businesses and financial institutions wrote to the then Prime Minister, saying that they were committed to protecting and restoring nature and delivering a net zero economy in support of the UK's targets, with delivery mechanisms strengthened across the whole of Government. However, the steps announced today are yet again a poor imitation of where Labour has been, and it has taken the Society of Motor Manufacturers and Traders to say:

"There is little...that enables the UK to compete with the massive packages of support to power a green transition that are available elsewhere."

Small businesses should also be part of the transition to a green economy. Roundtables I am doing with small businesses across the country have shown how much they need to be central to our plans for growth. However, all we seem to see from the Government is a record of failure and a lack of ambition. The Federation of Small Businesses has said today:

"The distinct lack of new support in core areas proves that small firms are overlooked and undervalued."

The latest ONS data available show that business deaths have outweighed business births for seven consecutive quarters.

Even schemes set up by the Government to help small businesses grow are falling short. The Government's Help to Grow: Digital programme was billed as their flagship small business productivity policy, but after a year of its running, the Government pulled the plug in February because of low take-up.

When I recently asked the Minister of State, Department for Energy Security and Net Zero, what programmes were available for SMEs looking to transition to net zero, he cited the boiler upgrade programme. However, the scheme's own impact assessment says that the impact of the scheme for small businesses is "negligible". The latest data released from the scheme shows that 0.4% of all installations in the scheme have been for SMEs. So the evidence is clear: the Government are simply not serious about helping SMEs transition to net zero or about supporting them at all.

If the Government were serious about supporting small businesses, they would back Labour's plan to help Britain become a clean energy superpower by 2030 and provide £0.7 billion in "help to green" grants for SMEs. The lack of a long-term shift in the Chancellor's statement has left us with the usual sticking-plaster politics. This is the natural end result of what happens when a Government spend 13 years hollowing out public services and not investing in workers and businesses, and of having a tired Government who have run out of ideas.

3.31 pm

**Mr Tobias Ellwood** (Bournemouth East) (Con): There is so much to digest from this Red Book in such a short space of time, but let me begin by welcoming the Budget statement, which reflects not only a return to economic stability, but a viable plan to energise UK growth.

[Mr Tobias Ellwood]

It has been a busy year since the last spring fiscal event. The Russian invasion continues afoot in Ukraine, causing geopolitical and economic ramifications and impacting on energy and fuel prices. There is the aftermath of covid, which cost the Government an intervention of £400 billion from the Treasury's coffers. Let us also put up our hand about the fact that the political turmoil of moving through three Prime Ministers was testing for the markets and was not our finest hour. Certainly, stagnation summarises 2022, with slow economic growth inhibiting economic development or expansion, and inflation bringing rising prices, but falling GDP.

So it is good to see a return to fiscal responsibility, as efforts are made to bring inflation under control and restore confidence in the markets, and to secure new, reliable sources of energy imports and become more energy self-sufficient. That includes, I am pleased to say, investment in modular nuclear reactors. As the Chancellor stated, the forecast looks more optimistic, and as our economy begins to strengthen, growth is forecast to return. The Government's key objectives of halving inflation, growing the economy and reducing debt are all on track.

However, significant challenges remain, as we have heard today. Many are still impacted by the cost of living crisis, there is still not enough investment in business to make our economy grow faster, and our labour market needs invigorating to entice many of the economically inactive back into work. The actions announced today address these very issues, and they will be welcome in Bournemouth East and, indeed, across the country. For example, there are those extending the energy price guarantee to help keep fuel bills low and freezing fuel duty, as well as extending childcare to include one and two-year-olds and providing additional funding to support nurses, so that more parents can return to work after building a family. I hope that increasing the annual pension allowance to £60,000 will encourage doctors in Bournemouth and across the country to delay thoughts of retirement.

What I did not see in the Red Book—I look to the Front Bench—were any plans to reduce VAT for the hospitality industry from 20% to 10%. Tourism destinations such as Bournemouth were affected by the pandemic. I am, of course, grateful for the Government's intervention then, but as hospitality recovers today it is hit by the perfect storm of inflation driving up wages, higher food prices and increased utility costs. There is a petition on the parliamentary website about this, which has now reached over 11,000 signatures. I hope the Treasury will do the maths, lower VAT and allow hospitality operations to survive, build and grow, thus increasing productivity, which will help to advance our GDP. Please, Chancellor, I invite you to do the maths.

On defence, even today the Chancellor connected the state of our economy with events in eastern Europe. With around half our GDP subject to international headwinds, our connectivity, our access to international markets, and our ability to source global goods and services are all impacting on our economy. That has been powerfully illustrated by the conflict in Ukraine. Had the invasion not taken place, UK inflation would be at 4% today, not 10%. Imagine what would happen if

the threat picture were to deteriorate. Yet that is exactly what the Government predict will happen, as written in the new integrated review:

“There is a growing prospect that the international security environment will further deteriorate in the coming years, with state threats increasing and diversifying in Europe and beyond. The risk of escalation is greater than at any time in decades”.

If ever there was a call to move away from peacetime defence spend, that was it.

I have crunched the numbers in the Red Book. Simply put, away from Ukraine support and ammunition replenishment, £5 billion has been allocated for the next two years, of which £3 billion goes to the new nuclear enterprise, leaving just £1 billion a year to improve our conventional forces. That will not allow our hollowed-out Army to be regenerated. It will not allow all the swathing cuts we saw in the last review to be reversed, such as tank numbers, troop numbers, armoured fighting vehicle numbers, and even Typhoon and Hercules aircraft numbers.

We should recognise—I say this loud and clear—that we are sliding towards a new cold war, as Russia and China further align themselves to challenge and exploit the frailty of our global order. As global security further deteriorates, a failure to invest in upgrading our peacetime defence posture now will not only harm our economy, as our markets are slowly closed off, but diminish our voice on the international stage. This is not the time to blink. We must have political courage, backed by hard power. That is what earned us a permanent seat on the UN Security Council. I urge the Treasury to reconsider its investment in our UK defence posture.

After the Windsor framework, the Paris summit and the AUKUS deal, what we saw from the Chancellor today was another example of statecraft returning to No. 10. Domestically, the Budget will help tackle the cost of living crisis, strengthen our economy and boost growth. I commend the Government for their actions here today, but with storm clouds gathering I hope they understand that I will keep pushing for an increased defence budget.

3.38 pm

**Rushanara Ali** (Bethnal Green and Bow) (Lab): Britain could be so much better. We have world-class universities, some of the best firms in the world, an amazing tech and life sciences sector, great start-ups and SMEs, a fantastic banking sector and people who are desperate to rebuild our economy after the damage done to our country by the Government. The Chancellor could have come up with a Budget that was about fixing the future, investment and growth. What we have is him trying to fix the damage done by his party in government. Last year, we saw the spectre of the International Monetary Fund pointing out that the UK had the weakest growth compared to our competitors. UK growth is flatlining, and the economy will shrink by 0.2% this year. The OBR forecasts that the next two years will see the biggest fall in household incomes since records began in the 1950s, with real incomes to fall by 5.7% in the next two years.

We also saw the spectre of people's mortgages going up. Because of the former Prime Minister and the former Chancellor crashing the economy, the average mortgage will go up by £2,000 a year. The previous Prime Minister crashed the economy in her 49 days in



office, costing the country more than £1 billion for every day that she was in office, making it the most expensive work experience placement in history.

This Chancellor delivered his autumn statement and promised a shallow downturn, but he served up £55 billion of spending cuts and tax rises to patch up the Conservative chaos caused by multiple Prime Ministers and about four Chancellors—I have lost count. What he should have done today was begin with an apology to the British people for the economic misery and hardship that they have seen and experienced at the hands of the former Prime Minister and the former Chancellor.

We need rapid investment and a genuine plan for growth. In the US, President Biden has introduced the Inflation Reduction Act, whereby \$370 billion will be invested in business and focused on greening the economy. We need to ensure that our economy is fit for the future and that there is a genuine plan for growth. We have not seen that. Investment is down—we have the lowest business investment in the G7—and mortgages are going up. Wages are at their lowest in real terms in the last 13 years and the tax burden is among the highest since the second world war. The Chancellor has done nothing to improve the plight of the British people; he has tried to pretend that this mess was not made by his party in government.

Labour will deliver green growth and support 400,000 jobs in green businesses. We will retain workers with skills in a green economy in every corner of the UK. There will be genuine levelling up. We will rebuild business with a national investment bank that will support the drive for a net zero economy. I could say much more, but I am limited in time. We have a plan for growth and for a high-skilled, high-wage economy. The Conservatives have had 13 years in government—13 years of austerity, the destruction of vital public services and the destruction of our economy. Added to that, the previous Prime Minister but one negotiated a poor Brexit deal that has led to reduced GDP. That is costing £100 billion in lost output and £40 million less in revenue to the Treasury every year.

The last Prime Minister cost £55 billion when she tanked the economy with the then Chancellor. Britain could do much better, but not until we have a change of Government. It is time for a Labour Government.

3.43 pm

**Craig Mackinlay** (South Thanet) (Con): I congratulate the Treasury team on what I thought was an imaginative Budget, particularly on getting people back into work, including through the pension changes to get some key employees back to work, especially in the NHS. I had concerns about the corporation tax rise, but they have been broadly tempered by the full expensing.

I refer to my entry in the Register of Members' Financial Interests as a chartered accountant and chartered tax adviser. This may come over as a little dull, but it may be instructive to the Treasury Bench. I want to take a quick gallop through corporation tax and dividend tax law over the last 50 years. Dividends were imputed with advanced corporation tax, a system introduced in 1973. It was a withholding tax at source, so the recipients of those dividends, if they were basic rate taxpayers, were deemed to have had the tax paid at source. Of course, because that tax had already been deducted, both charities and pension funds, most notably, could reclaim the tax that had been deducted.

Strangely, one of the first acts of the incoming Labour Government in 1997 was to scrap that advance corporation tax regime. For pension funds, that was a catastrophe. At one time we had world-leading and well-funded pension funds, but today the damage to them is estimated to be £250 billion and defined benefit schemes are virtually extinct. There started a long period of tax-free dividends, up to the basic rate band, for basic rate taxpayers. Because dividends are not a deduction against taxable profits, they were internally imputed to have had that rate of corporation tax attached to them, so in the hands of the basic rate taxpayer, they were free. We had a short period of a strange 10% band, but all toddled along quite nicely, up until 2016, when the 10% tax credit was abolished and replaced with a tax-free dividend allowance of £5,000. The Treasury's assessment at the time was that owner-managed businesses were using dividends too extensively, and there was an avoidance of both ER and EE national insurance. Well, so be it. That did not last very long, because even at the £5,000 level it was deemed to have been a little overexploited. So the dividend allowance was reduced to £2,000 from April 2018, with dividends above that rate taxed at 7.5%. In the past year, we have raised that to 8.75%. Again, so be it—but we have introduced a double taxation, both as company profits and then in the hands of the recipient.

What concerns me more than anything, and the reason for my speech, is the proposal raised at the second autumn statement last year, which was confirmed today and not overturned, for the tax-free dividend amount to be reduced to £1,000 for 2023-24, and to be reduced still further to just £500 in 2024-25. My plea is for a reconsideration of that and I will give an example.

Consider a retired taxpayer, blissfully paying PAYE all their working life and in receipt of a state pension, perhaps an occupational pension as well, whose coding is working perfectly adequately. They have been in a sharesave scheme, which was the right thing to do. People have been encouraged to do that all their working lives and there are now a million people in the country in a sharesave scheme. They have been blissfully outside of doing a tax return. The system has worked easily for them.

The likelihood of ever receiving £2,000 of dividends was pretty low; possibly, the prospect of even £1,000 of dividends is fairly low. But I am afraid the likelihood of getting £500-plus of dividends through a sharesave scheme in 2024-25 is likely to be very high. Do we realistically want to catch people with fines through the door, because they have not realised what has happened and what has changed? Do we really want to drag potentially hundreds of thousands of retired taxpayers, who have never had to worry about a tax return, into the tax return system? I believe that the £500 threshold is unduly parsimonious.

Let us contrast that with two other aspects of the tax system I know where a small amount of tax-free income can be earned: the property allowance, where people can receive £1,000 of rent, perhaps by renting out a car parking space to a commuter or a holiday property for a week or two, and the trading allowance, where people can earn £1,000 that falls outside tax. So we are allowing £2,000 of tax-free income, which is available even to 60% taxpayers. That means we are potentially

[Craig Mackinlay]

allowing £1,200 of tax not to be paid because that makes things administratively easy, it is not worth the hassle and the very small tax loss is worth while.

My plea to those on the Front Bench is that it may be too late to stop the £1,000 threshold coming into play for 2023-24, but it is certainly not too late to give consideration to the £500 threshold. As I say, we have allowed £2,000 of other earnings, for other things, to fall out of tax. I think the £500 limit is far too low and will drag innocent taxpayers into the tax system who perhaps have never been in it before. That is my recommendation to Ministers on the Treasury Bench.

3.49 pm

**Sammy Wilson** (East Antrim) (DUP): There is much to be welcomed in this Budget, but as we have found time and again, when we delve into the detail after listening to the rosy rhetoric from the Dispatch Box, some of the gloss comes off the picture that has been painted.

Let us look at some of the detail in this Budget. I welcome many of the measures that the Government have indicated, but although they quite rightly say that they want to give people an incentive to get back to work, we find that the personal income tax take over the next two years will be going up by nearly 20% because many people are being dragged into the tax regime—the allowances are not being changed, so they are going into a higher tax bracket. That is hardly an incentive for people to work.

We are told that the Government want to help businesses to invest, so £9 billion will be given in tax allowances to attract investment, yet according to the OBR forecast the increase in corporation tax will be twice as much. The Government want to help small businesses, and there have been announcements about various hon. Members' high street schemes, yet the take from business rates will increase by 25% over the next two years. Overall tax receipts across the economy will go up by 10% in the next two years, but that is not due to economic growth—in fact, we expect growth to be negative in the first year and to be about 1.8% in the second.

The real tax burden on households, on businesses and on the economy is increasing. The Chancellor made much of the fact that he wants to help firms with energy costs, yet we find that the costs placed on high-energy users by the emissions trading scheme are going up from £1 billion to £6 billion. We already know the result: many businesses in energy-intensive industries are simply going overseas.

The Government cannot tax their way to growth. When we look at the rhetoric and then look at the detail, we find that rather than being a Budget for growth, this is a Budget that will impede growth. If we are to finance public services, get our debt down and finance our debt, and if we are to make people better off, we have to grow the economy, so let us look at the detail before we give a blanket welcome to this Budget.

I happen to belong to a party that believes that low taxation is the best way of growing an economy. It is right that we allow people and businesses to spend their money as they see fit and make the wise decisions that

they believe will suit them, rather than the state making those decisions where that can be avoided. Of course, we have to spend money on essential services; for example, at this time of geopolitical turbulence in Ukraine and other parts of the world, I support the increase in defence spending. I think it is right that a country is prepared to defend itself and has the ability to do so.

As a supporter of FairFuelUK, I am pleased that the Chancellor has taken the wise decision to freeze fuel duty again. It is a way of reducing inflation and a way of helping small businesses and consumers who are finding that the increase in the cost of living is hurting their pockets, and, of course, it helps to reduce costs in places such as Northern Ireland which are heavily dependent on supplies being delivered by, for instance, lorries.

I agreed with what was said by the right hon. Member for North East Hampshire (Mr Jayawardena) about the childcare proposals. They will help, and no doubt they will be welcomed by many childcare providers and users, but I know from my experience in Northern Ireland that there are many places where it is not possible to buy in childcare from the bodies that have been set up. In many cases the allowance does not cover the cost, and families find themselves still out of pocket. There is not enough flexibility when the Government finance this, because people are relying on there being a network in the local area.

**Carla Lockhart** (Upper Bann) (DUP): The proposals are certainly welcome for England, but would it not have been more sensible to introduce a tax-free allowance increase to help families throughout the United Kingdom with children older than between three and five? Childcare does not stop at the age of five.

**Sammy Wilson:** As the hon. Member for North East Hampshire said, a tax-free allowance provides much more flexibility in the system, and I agree that that would have been a better way of dealing with the issue.

**Claire Hanna** (Belfast South) (SDLP): Will the right hon. Gentleman give way?

**Sammy Wilson:** I will not give way again, because I have spoken for nearly seven minutes, and I want to make one or two points before I finish my speech.

There are many other measures in the Budget that I want to mention, such as the tax-free zones for industry and the changes in the system of licensing for medicines. Has the Chancellor considered whether those measures can apply to Northern Ireland? Given that, even after the Windsor framework, we are still subject to EU law and EU state aid laws in Northern Ireland, I fear that when we try to apply the measures, we will find that the EU is once again able to interfere in the affairs of the United Kingdom by preventing them from benefiting Northern Ireland as a whole.

I had further points that I wanted to make, but as many other Members want to speak, I will make just one last point. Reductions in VAT for the hospitality sector—this also applies to corporation tax—are very important in Northern Ireland, because we have a land boundary with another country where corporation tax and VAT rates are lower. Without changes in those two measures, we are placed at a competitive disadvantage.

3.58 pm

**Mary Robinson** (Cheadle) (Con): I welcome today's Budget, and the Government's continued support for the areas that need it most. I listened intently to what was said by the right hon. Member for East Antrim (Sammy Wilson), but I do believe that this is a Budget for growth, for the UK and further north. It sets out a commitment to ensuring opportunity and investment and improving productivity, and I am seeing that in action already with the £8.26 million for the new Cheadle railway station. As for the commitment to greener jobs, progress is being made in the building of a £4.4 million Cheadle eco business park. The Government are giving local areas and regions the tools and the infrastructure that they need in order to prosper.

I am proud that Cheadle is already home to a number of national and international firms, from the AA and On the Beach to Thales and Dow, to name but a few. The creation of the 12 new investment zones, one of which will be hosted in Greater Manchester, will attract more businesses and jobs to our region and to Cheadle. In addition, I really welcome the new innovation cluster in Greater Manchester, which will accelerate research and development and reinforce our place as a centre of innovation. We will see the benefits of this spread out into Cheadle in jobs and investment and also in reinforcing the Cheshire life sciences corridor right on the Cheadle's border.

I join many others in welcoming the announcements on childcare. Supporting parents and families is vital for ensuring that our communities prosper. The provision of more childcare support for those on universal credit and the extension of the 30 hours free childcare provision to one and two-year-olds will give more parents the flexibility to take up employment and pursue their careers. I hear the Chancellor's intention to revise the staff-to-child ratios to mirror those in Scotland, but could I suggest that funding should be found to ensure that safety is never compromised and that nursery staff can feel confident when working with these new ratios that they have the skills they need to do so?

I believe that getting people into well-paid, skilled employment is the best way to combat regional inequalities, and it is key to levelling up, so measures that will not only create jobs but make it easier for people to take them up are hugely important. Further to these job-creating, job-supporting moves, I welcome the announcement of investment in carbon capture, usage and storage off our coast to the north-west and north-east. This not only signals our commitment to net zero but lays the foundation for long-term high-quality jobs and investment in the north.

In order for these jobs to give the maximum boost to the northern economy, the skills and the training also need to be based locally in the north, running side by side with these new opportunities. I welcome the initiatives to improve training and skills to bring people back into the workforce. We also know that for investment across the north to boost growth and fulfil its potential, it is vital that our infrastructure matches these new opportunities, so I urge the Government to fast-track and fully deliver Northern Powerhouse Rail, in order to join up these northern towns and cities and unite and link the investment opportunities.

Turning to local transport, the announcement of integrated ticketing systems is great news for people in Cheadle, but I would also call on the Mayor of Greater

Manchester to hear my constituents who are calling for an extension of Metrolink so that we can fully benefit from these newly devolved powers. It is clear that Greater Manchester will play a key part in the Government's levelling-up agenda with the roll-out of more powers to the devolved area. The trailblazer deals due to be signed off with Manchester and Birmingham show the confidence of the Government in local decision making.

However, greater powers and devolved authority must be accompanied by improved scrutiny and accountability. The suite of departmental powers that will be held by the Greater Manchester Mayor will be extensive. They already cover health and social care, transport functions and skills, to name but a few, and I see that they are to be expanded through deeper devolution to include

"a greater role in simplifying and integrating ticketing in local transport systems; devolution of the majority of 19+ adult skills funding to mayors; a long-term commitment to local authorities retaining 100% of their business rates; and, for the first time outside of London, local leaders will now be able to set the strategic direction over the Affordable Housing Programme in their areas."

If the Mayor of Greater Manchester is to set up a "Whitehall on Oxford Street", the scrutiny of these powers must be at least as robust as the scrutiny given to Ministers in this place. Trailblazer powers need trailblazer scrutiny, trailblazer accountability and trailblazer governance.

I welcome this Budget for growth and the measures to invest and innovate in the north. This Budget will grow the UK economy, and I will continue to make the case that only by continuing to level up the north and close the regional productivity gap will our country truly reach its full potential.

4.4 pm

**Dame Margaret Hodge** (Barking) (Lab): It is pleasure to follow the hon. Member for Cheadle (Mary Robinson), although I have to say that I disagree with her, in that I do not think the Budget of 2023 will go down in history as the moment when the UK Government finally got to grips with 13 years of pitiful growth rates. I do not think this will go down as the year when the Government honestly confronted the dire state of our public services, which are much valued by my constituents but much neglected by this Government. And I do not think this will be the moment when the Government admitted that child poverty has reached the highest levels for a generation and recognised that we need urgent action to tackle the inequality that brings.

For me, this Budget is a tragically missed opportunity. It represents a failure of political leadership and a woeful lack of responsible stewardship over the nation's finances and taxpayers' money. During a cost of living crisis, we heard that the people who are probably going to benefit the most from its proposals are those who will benefit from the lifting of the lifetime allowance. I wonder whether Ministers at the end will tell us: who is going to benefit from that? It will be not only the doctors, but the bankers and the millionaires. Is it really right to prioritise them in the middle of the cost of living crisis?

My constituents are desperate to feel real hope for their future and that of their families, but what are the realities facing families in Barking and in Britain? Public sector pay has been cut by 4.3% since the financial crash, with police officers taking home 13% less in real



[*Dame Margaret Hodge*]

terms than they were in 2009. The OBR says that living standards are expected to go down by 6%, and not just this year but next year.

**Jim Shannon** (Strangford) (DUP): I call what the right hon. Lady is referring to a “squeezed middle class.” Does she agree that the unfairness of the Government’s refusal to uplift the child benefit cap over the past 10 years, especially given the price increases of the past year, greatly impacts on working families, those people in the middle classes to whom she refers?

**Dame Margaret Hodge:** The hon. Gentleman talks about the squeezed middle, and I agree that they will not benefit from the Budget either.

There are 800,000 fewer owner-occupiers today than there were in 2010, while the number of rough sleepers has grown by a staggering 169%. We heard no mention of health in the Budget speech, but hospital waiting lists are growing, access to GPs is often impossible and we are now facing the most appalling record of having the highest waiting times in accident and emergency for nearly 20 years. We have all of that and the tax burden is at its highest since world war two. I say to Ministers that that cannot offer hope to the people of Barking. One cannot offer hope by proclaiming a slogan, and I fear that much of the Budget is full of slogans.

On childcare, everybody can agree that we must support women back to the workplace, but ensuring that our children get high-quality education and care in their early years is just as important, because that is how we give our children the very best chance in life and how we tackle inequality at its roots. I am always reluctant to harp back to the past but there are lessons to be learned from what the Labour Government achieved in this area, and I was privileged to play a key role in delivering our early years services. Children were at the heart of our concerns. We knew that if we gave them the best start in life, parents would feel confident that their little ones were in good hands and that would help to develop the next generation of educated, skilled and productive workers. To see that, we need just ask Labour’s deputy leader, my right hon. Friend the Member for Ashton-under-Lyne (Angela Rayner), as her life was transformed by her experience of a Sure Start children’s centre.

Good-quality childcare costs money, and it is a scandal that we are still paying childcare workers the minimum wage, while those who teach in universities are probably in the top 10% of earners. The Government have agreed today to change the ratio of adults to children, in order to cut costs. If the early years matter the most, the state should invest properly to make sure that we get well-trained and skilled people working with little ones and that each child has the level of attention they need to develop and grow properly. I wonder how many times either the Prime Minister or the Chancellor has looked after five toddlers and babies under two for 12 hours, seven days a week.

Let us look at the funding. Generously, I assume that the £4 billion would all go to one and two-year-olds. That will allow £2,670 to be spent on each child. Labour, with our Sure Start, childcare and early years investment spent, in today’s prices, £4,100 on each and every child—one

third or £1,430 more on each little one. Cheap, underfunded childcare delivered by low-paid, under-trained workers will fail the next generation of children, and it will not help mothers to feel confident about going back to work. It is a political and electoral con, not a serious policy to support children and tackle inequality, and it will be largely ineffective in encouraging women back to work.

I will now quickly focus on three other areas that received scant attention in the statement, the first of which is getting the revenue in. It is a scandal that the gap between what we collect and what we should collect is still £32 billion—getting on for half the total amount we spend on defence. It is a scandal that His Majesty’s Revenue and Customs has only prosecuted eight cases where there is evidence of enabling tax evasion by a string of professionals such as accountants, lawyers and bankers. At the same time, it has pursued almost 400,000 people earning less than £13,000 each for not filling in a tax return on time—remember that the personal allowance is almost £13,000. It is a scandal that HMRC investigated 30% fewer compliance cases last year, and that prosecutions fell from 700 to a mere 163. That failure cost us an estimated £9 billion, the equivalent of the total budget for the Foreign Office. We know that every £1 spent on compliance activity yields £18 in additional revenue.

It is a scandal that we spend hundreds of billions of pounds on a vast array of tax reliefs that are not viewed in the public accounts as expenditure, so we have no idea how much they cost, whether they fulfil the purpose for which they were intended and whether they provide value for money. I have seen estimates that suggest that the total cost of non-structural reliefs can come to 8% of GDP. The Chancellor’s only response to this particular scandal is to abolish the Office of Tax Simplification, which examined tax reliefs, including R&D tax reliefs. Agricultural property reliefs and business property reliefs are both used to avoid inheritance tax.

Finally, let me talk about Government waste. Some £15 billion was lost to fraud and error on covid schemes. Eight sites for nuclear power stations were approved in 2010; not one has been built, and the costs for Hinkley Point have so far increased from £18 billion to nearly £30 billion. That is not to mention the white elephant that is HS2.

Why can the Government not act to make our tax system fairer? Why can they not adopt the principle, established in the 1980s by Nigel Lawson, that income secured from wealth should be taxed at the same rate as income secured from work? Taxing capital gains at the same rate would raise £16 billion. Ensuring that landlords paid national insurance would gain another £8 billion. Insisting that pensioners, like me, who are still in full-time employment paid the full national insurance on our wages would bring in another £3.6 billion. Abolishing the out-of-date £50,000 upper earnings limit on national insurance could raise another £21 billion.

I have spoken for too long, but this is a missed opportunity. It is an ill thought through gimmick on childcare. It is more for the better-off in their pensions and nothing for ordinary families struggling to make ends meet. That is how history will judge this Budget.

4.14 pm

**Alun Cairns** (Vale of Glamorgan) (Con): It is a privilege to follow the right hon. Member for Barking (Dame Margaret Hodge), but I was disappointed with much of what she said and particularly with the tone she took. My constituents face many of the challenges that are faced in England and the rest of the UK. She talked about the Labour solutions, but those are very different for my constituents. She talked about healthcare and childcare. Those are devolved functions and the performance and opportunities in Wales are much less in spite of the Labour Party running it. So I suggest she spend a bit of time looking at the experiences my constituents face before casting aspersions and doubts on the policies and strategies outlined earlier today.

I pay tribute to the Chancellor and to the Treasury team for the stability and the confidence that they have brought to the economy. I think the fallout from the covid pandemic and the consequences of Putin's aggression in Ukraine have had a major impact on all economies around the world, but there is no doubt that the stability, the supply-side changes and the deflationary policies that have been pursued have had a major positive impact. Building on the Bloomberg speech that the Chancellor made some weeks ago, today's Budget starts to put some flesh on those bones.

The big news from the Budget is, without question, the OBR forecast that, in spite of the doom-mongers in the Opposition and despite the criticisms of the Government from all sides over the challenges in recent months, the UK will avoid a technical recession. We need to recognise the merit of that, and the influence of the Treasury team that played a big part in securing it.

The second headline, for me, is the prediction that inflation will fall to 2.9% by the end of the year. That is quite remarkable and again shows how the Treasury's restraint, in resisting calls from Members on all sides, including myself, for more spending in our constituencies, is reducing the impact of inflation, which is the worst form of taxation, eroding people's standard of living, the wages they earn and the capital they have amassed.

Similarly, Opposition Members fail to recognise that, since 2010, the UK economy has grown faster than that of France, Italy and Japan and at the same pace as that of Germany. They will persist in talking down the economy, but the way they do so has a real impact. It puts doubt in investors' minds when they see the Opposition undermining the confidence established by those on the Front Bench.

I must highlight that the help with energy costs is very welcome and the fuel duty freeze will be a huge relief to my constituents, both those in rural areas and small businesses, white van men and women, who have to go out and about to win contracts day in, day out. They will be relieved and pleased with the fuel duty freeze.

Prepayment meter changes are long overdue; that should have been acted on by a number of Chancellors and energy Ministers in decades gone by. I welcome the changes and I am pleased that those on this Front Bench have grasped the nettle and insisted on them. They will make a real difference to the cost of living for some of the most hard-pressed families and show that this Government are on the side of hard-working people and families.

Ultimately, on the childcare changes, I hope that the two Welsh Labour Members on the Opposition Front Bench will encourage their colleagues in Cardiff Bay to follow suit. We need to remember that 50% of the Welsh population lives within 25 miles of the border with England and, unless the Welsh Government follow the Conservative Government's lead, my constituents and their constituents will start to feel the pain of the far greater incentives offered in England.

On a broader basis, I welcome the annual investment allowance and the capital incentives laid out today. The incentives for energy security, small modular reactors, nuclear investment and carbon capture and storage also suggest that a simpler taxation system will mean that we do not need so many incentives and so many reliefs in so many areas. I recognise it is not easy to achieve that at a time of economic challenge, but that is clearly where we want to end.

The main point that I want to make in the limited time I have left is the warm welcome from the beer and pub industry for the draught duty extension from 5% relief to 9.2% relief. As many Members have said, that change will effectively mean that, in real terms, the price of a pint in a pub will be 11p less than elsewhere, which has been widely welcomed by the industry. I should declare my interest as the chair of the all-party parliamentary group for beer.

Of course, we need to recognise that that duty is paid for by the brewers, and we need to call for the brewers to pass that benefit on to the pubs, because the pubs in our communities act as the fabric of society. They offer flexible employment opportunities and have the great capacity of bringing back into employment people who would often be left out of the workforce. Pubs and hospitality are a sector of the economy that feels the impact of a recession or any downturn first, but which gains the benefits at the end of a recession, when people are feeling far better.

There is no doubt that the Budget will make a major impact for hard-working families, getting people back into work and encouraging investment, but it will also support people with the cost of living. I am absolutely delighted that the Chancellor has listened to the calls from the industry on the draught duty relief. The industry has made further calls, and I am encouraged that the Exchequer Secretary to the Treasury has already contacted my office to seek a call early next week to discuss the impact of changes and how we can further maximise their benefits.

4.21 pm

**Steve McCabe** (Birmingham, Selly Oak) (Lab): I thought that that was a rather smug performance from the Chancellor, who seems to have forgotten that he inherited his job only because of the economic chaos caused by the reckless stupidity of his predecessor and the woman who appointed him.

The Chancellor asks to be congratulated on his magnificent achievement of avoiding a recession. Well, after 13 years of the Tories destroying people's living standards, that is some achievement. On investment, he promises us yet another competition—more of the begging-bowl culture that Andy Street, the Tory Mayor of the West Midlands, wants abolished. The people of the west midlands say, "Don't make us beg; don't foist

[Steve McCabe]

any more of your rigged competitions on us. Just give us our rightful entitlement and let us get on with the job.”

The problem with the super-deduction scheme is that it rewards businesses, including those that avoid paying taxes in this country, such as Amazon, for investments that they were going to make anyway. What safeguards will there be to ensure that the Chancellor’s capital expenses scheme does not repeat the same error, with the taxpayer again footing the bill? There seems to be little support for small high street businesses—cafés, restaurants and hairdressers, which apparently do not matter to the Conservative party—and, of course, there is no action on business rates.

I think that the Chancellor could have added a fifth E—“eventually”—to his four pillars, because most of the worthwhile announcements could and should have been introduced a long time ago. The Government have been told about them by the Opposition often enough.

Universal support is a good idea, but it is not quite what the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) had in mind when he introduced universal credit. How will the Chancellor pay for universal support? I hope it will not mean siphoning money from the existing Access to Work budget. Relaxing staff-child ratios for childcare will increase capacity, but will not necessarily reduce costs. I will be sure to consult with providers and parents in my constituency of Selly Oak on how easy it will be to deliver on today’s promises. I suspect that there will be quite a gap between those promises and availability on the ground.

The freezes on fuel duty and energy costs are welcome; in fact, they are the least that the Chancellor can do. Genuine measures to encourage people back to work and support those over 50 to remain in work are also welcome, but brutal and arbitrarily imposed sanctions will not work—that is just the same old Tories—and although the Chancellor’s pension plans will help with doctor retention, in reality they will benefit those with existing large pension pots, and will do nothing for those on smaller incomes. His Budget ignores the crippling loss of living standards resulting from years of Tory wage restraint. Even the Institute for Fiscal Studies casts doubt on this Government’s arguments about public sector pay. There was more scope in this Budget to promote growth and offer a fair settlement on public pay.

If, unlike his predecessor, the Chancellor worries about how to pay the bills, he could always look again at fairer taxation. Tax on ordinary families is rising relentlessly in this country, but the UK is still below the OECD average for taxation, so I am with my right hon. Friend the Member for Barking (Dame Margaret Hodge) on this: he could raise around £15.6 billion through equalising capital gains and income tax, £3.6 billion through abolishing non-dom status, and about £9.6 billion by extending national insurance to investment income. Why is it that, under the Tories, it is always hard-working families that have to pay, not the other people?

This was a rather smug and self-congratulatory Budget that ignores the problems created by 13 years of Tory misrule: homelessness, crime out of control, school buildings crumbling, record NHS waiting lists, and a public that no longer believe a word they say. It was the

Budget of a tired Chancellor and a tired Government who have run out of ideas. Their credibility is shredded, and this was just far too little, too late.

4.27 pm

**Nickie Aiken** (Cities of London and Westminster) (Con): At the start of the year, the Prime Minister set out three big economic priorities: target inflation, grow the economy and reduce debt. In this Budget, the Chancellor has set the scene for how we make those priorities succeed. I believe this Budget has shown vision and pragmatism that will help people and businesses in the two cities.

As always, households are at the forefront of the Government’s priorities, so I am delighted to hear that the energy price guarantee is to be extended to keep the average cost of energy bills at £2,500 for a further three months. Maintaining that support will save households hundreds of pounds over the coming months, preventing millions of families from falling into fuel poverty.

In the two cities, we have many residents being supplied energy by communal heat networks. I recognise that the Energy Bill is progressing, and that it will go some way towards supporting those who rely on communal heat networks. However, I hope that financial support can be extended to those households, as they are all too often overlooked through no fault of their own. Also, although I know the hospitality sector welcomes the Brexit pub guarantee, it remains concerned about energy costs for its businesses, such as restaurants and pubs. That is such a huge sector for the west end and across my constituency.

However, this Budget does so much, and goes a long way to boost employment. Rebooting the benefits system to support people back into work is something I particularly welcome. The Budget includes the biggest reform to the welfare system in a decade, meaning that disabled and long-term sick people can now work without the worry of losing out. This is important for several reasons, but principal among them is that in the real world, people’s ability to work is not as binary as the current system implies. I have seen that at first hand in the Fair Shot café in Covent Garden, run by Bianca Tavella, who is supporting young people with learning disabilities to get back into the workplace, and it makes a huge difference to the individual and their family.

I also welcome the measures to support children in care as they get to working age, as well as to help jobseekers into decent jobs with decent wages. The Chancellor is right to remove any barriers that we can with reform that strengthens our society and our economy. Building on that point, the changes to childcare will have a real impact on people’s lives in the two cities. I take this opportunity to congratulate my hon. Friends the Members for Stroud (Siobhan Bailie) and for East Surrey (Claire Coutinho), who have really driven this measure through and got it over the line.

I particularly welcome the major changes to childcare because they will give working women a real opportunity to choose what is best for them and their family—whether they stay at home with their children or want to continue with their career—not least because parents will now be afforded 30 hours of free childcare from as early as nine months until their child’s fifth birthday. The help for wraparound childcare in schools is most welcome, too.



For me that is so important, because it means that parents can have the flexibility to decide what is best for them and their children.

The Chancellor has also taken a sensible and pragmatic approach to business taxation. For the two cities, that is incredibly important. As a Conservative I recognise the value of competitive tax regimes and understand the value of pro-business, pro-enterprise government, so I am glad to hear announcements on simplifying the tax system for small and medium-sized businesses.

I must take this opportunity to once again make a plea for the return of VAT-free shopping for overseas visitors. That would not only be a massive boost to London, and my constituency in particular, but would have a massive knock-on effect for jobs and businesses across the United Kingdom. I have spoken to the Chancellor about that specifically, and I know he is looking at it, but I hope we will have an announcement sooner rather than later, because the benefit it has for the whole country is so important. Having said that, I look forward to the review of taxes paid by smaller businesses and the consultation to expand the cash basis, as well as measures to simplify customs, import and export processes for small businesses. While I welcome all that, I urge the Government to keep tax simplification as an ongoing priority.

In conclusion, despite enormous global challenges, the UK economy is proving the doubters wrong. Far from entering a technical recession this year, the Government are stimulating growth, supporting hard-working families and looking forward with a powerful vision for this country.

4.33 pm

**Dawn Butler** (Brent Central) (Lab): It is a pleasure to follow the hon. Member for Cities of London and Westminster (Nickie Aiken), and I actually agree with something that she said about VAT. While I am in a positive mood, I thank the Chancellor for his announcement on prepayment meters, because I have been championing that campaign for the past seven years.

I feel like there is a lot missed in this Budget. At the moment we are facing a profit crisis, while many people are struggling. The Office for Budget Responsibility has stated that real household income is due to fall by 5.7% in the next two years, which is the largest two-year fall since records began. It will be lower than pre-pandemic levels. The Chancellor has missed a huge trick here. I know the devil will be in the detail, but the pension announcement, as far as I can make out, is for the wealthy—those who can afford to put away £60,000 a year. It also seems like the only permanent tax cut in the Budget is for those who are very wealthy. The Chancellor could have stopped all the strikes if he had only made an announcement on public sector workers' pay today, but he chose not to do that. As we have heard from other Opposition Members, there was also nothing on capital gains tax or income tax. That is very strange.

The UK economy cannot be improved without London's contribution. London Councils has five key priorities: housing and homelessness; health and care; supporting businesses; helping London deliver net zero; and greater devolution to local government. London's businesses are struggling in the face of increasing labour and energy costs and sustained high inflation. Will the Chancellor

commit to keeping the energy bill relief scheme under review and materially improving the discount for businesses, and will he reform the apprenticeship levy to make it easier and cheaper for employers to recruit and retain talent? As we have heard, many employers are buying equipment rather than investing in people. As the hon. Member for Cities of London and Westminster said, we should reintroduce the VAT retail export scheme too, to make London and other UK destinations more competitive for overseas shoppers. That would add a net gain to the public purse.

Because of the pandemic and the current cost of living crisis, local authorities will have to make savings of at least £100 million next year to balance their budgets. That is not sustainable for local authorities such as mine in Brent. We have a homelessness problem, too. Shelter recently reported that 1 in 58 Londoners are homeless. Will the Chancellor increase the local housing allowance rates, which have been frozen since 2020, to help tackle homelessness, and also increase discretionary housing payment allocations? These are all steps the Chancellor could have taken if he was really interested in investing in growth in our country, because local authorities can only do so much.

Is there money, too, to provide additional investment for the refurbishment of existing housing stock to treat damp and mould and address fire and building safety issues? Last time Labour came into government it had to put a lot of money into making social housing right. It is especially important in London to remove all restrictions on how councils can use right to buy receipts, to sustain affordable housing delivery without placing additional demands on the public purse. These are all things that could be done if we had a bit of imagination from the Government.

London's devolution settlement is over 20 years old. The Government's commitment to deepen devolution should apply equally to London as elsewhere, to enable London boroughs and the Mayor of London to tackle the 21st-century problems facing the capital. Will the Chancellor work closely with London Councils and with me as chair of the London parliamentary Labour party to ensure that we broaden the balance of revenue-raising powers available to councils in the longer term, to improve financial resilience and reduce reliance on any single funding stream?

Some Government Members have said today that they are sometimes confused about what we on the Opposition side of the House stand for: I want to reassure them by reaffirming that the Labour party and London Labour members stand for a moral crusade for making our country better. I do hope the Government will take some of my points on board.

4.38 pm

**Mr Jacob Rees-Mogg** (North East Somerset) (Con): It is a pleasure to follow the hon. Member for Brent Central (Dawn Butler), and I agree with her and my hon. Friend the Member for Cities of London and Westminster (Nickie Aiken) that it would be very good to sort out the VAT issue for goods that are going to be exported.

Listening to the debate and looking at the documents, I have been struck that I have made a mistake. I used to think that a phantasmagoria was a forerunner of a moving picture—the sort of machine that I might go

[Mr Jacob Rees-Mogg]

home and watch on a quiet Wednesday evening—but it turns out that it is, in fact, our current approach to economic policy making.

I refer right hon. and hon. Members to page 131 of the OBR's report, which says:

"Since the OBR was established in 2010, the Government has had six different fiscal mandates."

That means that the OBR comes up with forecasts that are wrong to meet a Government mandate that will change, so the value of the exercise on which we are basing our economic policy is not right. It does not serve the purpose of what we are trying to do, which is to achieve economic growth and to increase the standard of living of our constituents generation by generation. Instead, we are taking a theoretical approach that does not work in practice, which is why we have not been achieving growth, because we have not been willing to make the necessary decisions.

Today, we have heard some things that are welcome, but they have been picked out of a jar of sweeties. For example, we have picked out the sweetie on pension reform, which is great, as it happens—the Toblerone with a Swiss marker on it of sweeties—because it could really encourage investment. It could make people think that pension investing is a long-term opportunity, which it has not been in recent years, as long as the reform remains and we do not find that next year, a new limit is brought in or the £60,000 annual investment limit is tweaked. In recent years, we have had such confusion in pension investing that one wonders why anyone has bothered. It was brought into the sharp light of day only by the fact that people were retiring from the public sector because the pension system had become so lunatically punitive in the high marginal rates it charged. This is a welcome aspect of the Budget as long as it is stuck to.

The deregulation of childcare, again, is a good thing. I have pointed out that if somebody such as me is allowed to be left in charge of six children, which is perfectly legal, even without any Government intervention or Ofsted inquiry, it seemed surprising that people much more capable and better trained could look after only four. I am glad that the number is being increased. I am also delighted that the fuel duty is being frozen. As the Mayor of London wishes to savage the motorist and put them into penury, I am reassured that the Conservatives continue to be on the side of the motorist.

Those are some of the sweeties that we have been able to pick out, but it is not all sweeties, because a number of things that were not mentioned in the Budget will continue. For example, everybody will have a real-terms increase in their tax because of the failure to uprate thresholds. That will mean that people will come into the higher rate of tax who, particularly if they live in London, are not actually that well off.

We are therefore getting a big tax rise, which is where I return to the phantasmagoria. By failing to think through economic policy in a way that will actually work, and by thinking of it on a theoretical basis, we have seen the tax rate rise. Let us look on page 80 of the OBR report at what happened in the Thatcher era. For the record, I think the OBR is a useless body that gives bad forecasts that are consistently wrong, but some of the historical data in the document are perfectly respectable.

Importantly, the OBR says that between 1981 and 1995, which we might call the Thatcher era, the tax burden fell from 33.9% of GDP to 27.4%. Once the socialists got in, it started rising, but I would have thought that since the Conservatives got in again in 2010, it might have come down a bit. Not a bit of it—it has gone on rising, which seems to be the problem that we are facing. We have a rise in corporation tax now, but we salami-slice it with some capital allowances to pretend that it is not much of a rise, which is not a good approach to tax policy. The best approach to tax policy is low tax rates with few exclusions.

The Budget sets up a tax avoidance scheme—the other side makes powerful arguments against tax avoidance—that companies are asked to carry out because the Government think businesses might spend money in a way that the Government approve of. But who actually knows best how to spend their money—businesses or the Government? Businesses. What we want is low rates, rather than investment being distorted to go in the way that the Government currently think is fashionable.

That is why I think we should be cutting corporation tax and looking at what has happened in the Republic of Ireland. This has been mentioned before, but the figures are stark. I wonder if those on the Treasury Bench are aware that, in the Republic of Ireland, corporation tax raises more money than value added tax, and it has a very similar VAT base to the one in the UK: €22.6 billion in corporation tax and €18.6 billion in VAT. In comparison, the UK raises £82 billion in corporation tax and £162 billion in VAT.

Lower taxes raise more money. Let us for once move away from the old-fashioned—from the phantasmagoria—and update ourselves to a modern age with tax cuts and economic growth.

4.45 pm

**Bill Esterson** (Sefton Central) (Lab): Of the short-term giveaways to placate Conservative Back Benchers, a potholes hotline, after £400 million of cuts to highways budgets, is apparently their favourite in this sticking-plaster Budget after 13 years of failure. The bleak OBR analysis shows living standards 6% lower in two years' time, and still below pre-pandemic levels by 2028. What was the Chancellor's flagship announcement during a cost of living crisis? To prioritise those who are already the wealthiest.

Other countries have recovered strongly since the pandemic, but not the UK, so how absurd that the Chancellor should crow about avoiding recession when the UK will still be the only country where GDP will not have recovered to pre-pandemic levels by the end of this year. Low growth since 2010 has seen households £8,800 per year worse off on average when compared with average growth in the OECD, and a £40 billion gap in tax revenues. The party that has presided over low growth since 2010 and that crashed the economy was never going to have the answers to the deep-seated problems it has created, and so it was with the Budget the Chancellor has announced.

Whatever today was, it was not a long-term plan for business. Investment is at a record low level. Firms such as AstraZeneca are moving overseas. Small businesses have been forced to close by high energy bills, high business rates, shortages of supplies and a lack of skilled workers. What of our international competitiveness, when the

United States is attracting investment through the Inflation Reduction Act and the European Union is implementing its own equivalent plan? Let us look at what business says.

Here is what Mike Hawes of the Society of Motor Manufacturers and Traders has said today:

“There is little...that enables the UK to compete with the massive packages of support to power a green transition that are available elsewhere.”

Make UK says that

“this does little to tackle the real and immediate threat manufacturers face with rocketing energy bills.”

That point was reiterated by the British Chambers of Commerce, which has also criticised the failure to reform business rates. Martin McTague of the Federation of Small Businesses has said that

“today’s Budget will leave many feeling short-changed”,

and that

“the Government’s lack of support for small firms in critical areas is glaring.”

Businesses want long-term help with their energy costs, the abolition of business rates, reform of the apprenticeship levy so that they can all use it for what they need, and greater access to procurement for businesses of all sizes. Labour is committed to all those as part of our industrial strategy. Businesses agree with our plans for self-sufficiency and renewable electricity generation to cut bills and guarantee supply, while playing our part in meeting our climate obligations, as well as the insulation of 19 million homes. They agree with our plans for eight gigafactories and the roll-out of EV charging points, with grants and low-interest loans for consumers being absolutely critical in the transition to electric, especially when new car sales are at a 70-year low. They agree with our plans because they have been drawn up in partnership with industry.

Labour’s green prosperity plan is a response to the massive attraction of the Biden plan. Investors and businesses support us. It is the Labour party that recognises that the part of the worker has to be the party of business. That is why we will be partners of business and trade unions when we are in government. That is how modern industrialised economies thrive: partnership. No wonder John Allan, the chairman of Tesco and Barratt, says there is only one political team on the pitch: Labour.

The failure of the Government to take a strategic approach will continue to undermine our prospects and delay any recovery in living standards. That is what the OBR says. In the week of the Cheltenham Festival, I have two pieces of advice: first, come to the grand national in my constituency next month; it is, of course, the biggest horse race in the world. Secondly, after this sticking-plaster of a Budget, do not gamble at Cheltenham or Aintree—save your money for the sure bet of a general election and a Labour win.

4.51 pm

**Mr Robin Walker** (Worcester) (Con): My hon. Friend the Member for West Worcestershire (Harriett Baldwin) made her contribution to the debate by talking about inflation. I agree with some of the contributions I have heard, but just as important as the fact that we have avoided a technical recession is that inflation figures are forecast to come down very sharply. That is hugely important and it is right that the Government have

helped households with the cost of living, including the £94 billion package set out in the Budget, which is not to be sniffed at. I particularly welcome the announcement on prepayment meters. I congratulate the hon. Member for Brent Central (Dawn Butler) on her campaign. It is an important issue of social justice and many of us have been raising concerns about prepayment meters over a long period of time, so I congratulate her on her success in that regard.

The main thing I want to say, as Chairman of the Education Committee, is thank you to the Chancellor for listening to the concerns raised by colleagues on both sides of the House about the affordability of childcare. I pay tribute to the Members who have raised this issue consistently: the hon. Members for Walthamstow (Stella Creasy) and for Birmingham, Yardley (Jess Phillips); the hon. Member for Twickenham (Munira Wilson), who speaks for the Liberal Democrats; my hon. Friend the Member for Stroud (Siobhan Baillie); my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom); my hon. and learned Friend the Member for Eddisbury (Edward Timpson); my hon. Friend the Member for Newbury (Laura Farris); and my hon. Friend the Member for Ruislip, Northwood and Pinner (David Simmonds). All have spoken up about the need to reform childcare and the need to properly fund the so-called free—more correctly, subsidised—hours of childcare that we provide.

There are some really welcome decisions in the Budget that go further on this issue. The first is the decision to invest. I spoke recently in the estimates day debate on the Department for Education. I described investing in childcare in the early years as a win to the power of four. The decision that the Chancellor has taken to invest in childcare in the early years is, after defence, the next big spending commitment in the Budget. I welcome both key investments for the long run.

I welcome the idea of extending the 30 hours offer to one and two-year-olds. The gap that exists between the end of parental leave and the beginning of support has been pointed out by many Members on both sides of the House. That gap has been made significantly smaller by the Government’s introduction of the 30 hours for three and four-year-olds. It has been made significantly better for a small group of people by the offer for disadvantaged two-year-olds. Widening the offer to cover 30 hours for one, two, three and four-year-olds could be game changing, but only if we ensure the sector is properly funded. In that respect, I welcome the fact that, as part of today’s announcement, the Government have announced a step up in the funding for the existing allowances: £204 million next year, increasing to £288 million the year after.

However, the Select Committee has heard concerns about the very real cost pressures that the sector faces right now. Those include substantial increases in business rates—a real problem affecting the voluntary and independent sector, which is such a key part of the childcare sector. I join the calls from the Opposition and Government Benches for further consideration of business rates reform. Another concern I have about the childcare announcements is the ratios. The Select Committee has heard clearly from the sector that if the change is voluntary, not many will take it up, and they certainly do not hear from parents that they want it. However, I welcome the fact that the Government have listened to the consultation and have at least made it optional.



[Mr Robin Walker]

I listened carefully to the arguments made by my right hon. Friend the Member for North East Hampshire (Mr Jayawardena) about family taxation. There is great sympathy on the Select Committee for going further to provide genuine tax-free childcare, and I hope that we will be able to pick that up as we move forward with our inquiry. I very much welcome the emphasis on expanding the provision of childminding and the reforms to universal credit, which can make a substantial contribution in this space. Again, that is going with the grain of the sector, but we need to ensure that we have sustainable funding for both maintained and voluntary and independent nurseries.

Investing in childcare and early years is the right thing to do, but there are other pressures within the Department for Education's remit. We heard from the IFS that, under a Conservative Government, investment in the early years has grown faster than in almost any other area of education spending, but its summary of education spending over the last decade also stated that the post-16 further education provision—what my predecessor as Select Committee chair, my right hon. Friend the Member for Harlow (Robert Halfon), often describes as a “Cinderella sector”—is one of the most tightly squeezed. As we move forward from the Budget towards the autumn statement, I hope that the Treasury will look carefully at the need for more investment in that sector. Although I welcome the £2.3 billion extra for schools from the spending review, they still face a real squeeze from the combination of inflationary pressures and pay rises for teaching and non-teaching staff.

I welcome smaller Budget announcements, such as the £3 million for supported internships. Buried away in the Red Book and not in the Chancellor's speech was £11.5 million for Ukrainians to access language programmes. That is welcome, and I know from my time at the DFE that the provision of English for speakers of other languages could be variable. Any extra money spent on supporting Ukrainian families in all our constituencies will be well-spent.

I welcome the extra support for children in care and the amazing people who support them. I hope that the Government will look carefully at extending that further, particularly when it comes to kinship carers. I listened with interest to what my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) said about attendance allowance for grandparents.

I want to pick on the action taken on pensions to help keep doctors in the NHS, which is extremely welcome and important. That will also help to improve retention of headteachers. In addition to action to keep and retain doctors, we need more places in medical schools. This morning I met the Hospitals Minister, my hon. Friend the Member for Colchester (Will Quince), along with MPs from across Worcestershire, Herefordshire and Gloucestershire to press the case for funded places at the Three Counties Medical School in my constituency. That will make a real difference. I heard the Chancellor mention his long-term NHS workforce plan, and I am glad that it will be announced shortly. I will keep pushing for the fact that funded places at the Three Counties Medical School in Worcester need to be part of that.

4.58 pm

**Claire Hanna** (Belfast South) (SDLP): It is a pleasure to follow the hon. Member for Worcester (Mr Walker), who gave a characteristically fair and practical speech.

Many of the measures announced today are to be welcomed, although it is clear that people struggling with the cost of living, increased mortgages and pressures on small businesses to pay energy bills and find staff will not recognise the rosy picture presented by Government Members. It is impossible not to see that so many of the initiatives are due to commence in 2024, when it is likely that the Government Benches will not be occupied by the same people. In many cases, this is a fiscal hospital pass for my colleagues.

Of course, my focus is on Northern Ireland. The context for us is the real opportunity that we have to get on with things, through the Windsor framework, but also our disadvantage through the lack of an Executive to implement initiatives that may be better funded after today. Nowhere is that implementation gap clearer than in childcare. I commend all the Members of the House and the campaigning groups outside who fought very hard and pushed for these measures to be announced. As the lucky mum of three large childcare bills, I can confirm that the approach is overdue and vital, but it is crucial that it goes further than a press release, an announcement and a headline.

The sector needs serious reform that supports families, focuses on children's development and tackles the educational inequality that we know is set in the first 1,000 days of a child's life, in which childcare has such a role to play. We need to ensure that funding is there, so that this is not just about “minding” young people but gets in there and changes some of those stubborn, fixed outcomes. The changes must not leave behind the workforce of this vital sector, whose wages have never matched the skill, care and, increasingly, the qualifications that they need.

I am a true believer in devolution and its power to protect a region such as mine, but as a founding chair of the Assembly's all-party group on childcare, I regret to say that this is one area where we have absolutely fallen behind. Northern Ireland does not even have the 30 free hours for three and four-year-olds that is in place in parts of England.

I welcome the proposed allocation of up to £40 million for Northern Ireland for further and higher education. I hope that we can begin to end the export of Northern Ireland's finest resource: our young people. Many thousands of young people have to leave after tens of thousands of pounds have been put into their primary and post-primary education in order to get a university place, because of the artificial MaSN—maximum student number—cap, but I hope that the funding is one of the things that gets us moving.

On the skills deficit that leaves workers, young and old, unable to access the training opportunities they need to get into the labour market of today and of the future, there is a mismatch in what we are providing for skills. I am disappointed that there are not, as yet, specific proposals to address the alarming cliff edge facing many charities and third sector organisations in Northern Ireland that specialise in employability, because of the loss of the European social fund. We are reckoning on a loss of tens of millions of pounds per year in Northern Ireland.

The Chancellor spoke directly about the so-called economically inactive, so it is penny-wise and pound-foolish to allow to fail many of the schemes that are tried and tested in getting people who need a little extra support, because of additional needs or other reasons, into the labour market. There are opportunities now and we cannot let fail the organisations that support them.

Our labour market, by the way, is undoubtedly disadvantaged by the difficulty in bringing in talent from elsewhere. It is disappointing that there has not been a recognition of that and about the impact of labour shortages in key parts of the economy.

I welcome the specific allocation to the tackling paramilitarism programme, and I urge those allocating that to invest, invest and invest in community resilience and alternative leaders, and to learn the lessons of practice in paramilitary transition. Look at the good and look at what absolutely has not worked, as we try to rid our neighbourhoods and our society of the cancer of paramilitary hard men holding people back and preying on the vulnerable.

On green technology and transition, some progress is welcome but, as the Leader of the Opposition said, we are not yet really even on the pitch. I remind the Government that green jobs are not just people in hi-vis jackets working with steel and all that; jobs in caring and education are, by definition, low emission. Northern Ireland can play a real part in the multi-level transition that we need. We are very well positioned to be a leader in wind, tidal and hydrogen power, and other things, but to be really game changing we need the sort of strategy and investment we see in the US and EU.

It is a disappointing missed opportunity, with the squeeze on the most vulnerable, not to reinstate the universal credit uplift or address the two-child limit. Those are key concerns of the Northern Ireland Women's Budget Group, which has led in this area.

All of Northern Ireland's opportunity comes back to the Windsor framework and the chance that we now have for a new beginning, politically and economically. That includes selling our dual market access. I and my party have shouted loudly for two years, in and outside this House, about the unique proposition that we now have. We are seeing a boom in some parts of the economy, such as life sciences, advanced manufacturing and agrifoods, but that needs an Executive and it needs a very serious strategy in place to spend the Barnett consequential and realise the potential of our region.

Over the next few weeks we will be marking and celebrating the 25th anniversary of the Good Friday agreement. We have had two and a half decades of peace processing. With the right investment and the right strategy, the next 25 can be our prosperity years.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Nigel Evans):** Order. If Members keep to about six or seven minutes, as they appear to have been doing, we will get everybody in. I remind the House that there will be no wind-ups at the end of today's proceedings.

5.5 pm

**Mrs Natalie Elphicke (Dover) (Con):** It is a pleasure to follow the hon. Member for Belfast South (Claire Hanna), who highlighted the importance of childcare.

I congratulate the Chancellor on today's Budget supporting families and businesses with the cost of living and growth. I would like to highlight three measures that will have a particular impact for my constituents in Dover and Deal. The first is the fuel duty freeze and the continuing energy support: many people rely on their cars to get around, and the recent fuel and energy prices have been worrying for very many people. The second is the expansion of free childcare for young children. Thirdly, I welcome the focus on older workers, skills and jobs support.

In Dover and Deal since 2020, average wages have risen, unemployment has fallen and youth unemployment has fallen. Thousands more people are employed in my constituency than when Labour left office in 2010. The measures taken by Conservative Governments have created more jobs and money in Dover and Deal. In addition, Dover's £63 million levelling-up funding will create a new creative and digital skills campus and investment in port and road infrastructure. I want to see our whole area growing and thriving, so the further jobs and skills support set out in the Budget is welcome. The support for older workers is important because discrimination against older workers is very real—I will move a ten-minute rule motion next week to tackle that very issue. I want to work very closely with Ministers to ensure that the ambitions set out in this Budget are matched by increased employment for older workers.

There is one area on which I hoped there would be more in this Budget: housing and house building. I draw attention in that regard to my entry in the Register of Members' Financial Interests, in relation to my unpaid directorship of the Housing and Finance Institute. Under the Conservatives, house building has been booming recently, with more than 200,000 homes delivered last year. In Dover and Deal, Conservative-led Dover District Council has delivered an impressive programme of building its own council homes for affordable and social renting and shared ownership.

Although locally Dover and Deal Conservatives are delivering affordable homes, broader economic conditions have led to a slowdown in house building that appears to be severe. The Home Builders Federation has said that it looks like the worst period for house building since the financial crash. The OBR forecast on the housing market has worsened since November, with house prices down 10% and property transactions down 20%. That matters for today's Budget because house building contributes £15 billion to £17 billion for each 100,000 homes built. New homes also support approximately £8 billion in additional infrastructure investment, which means roads, schools, GP surgeries and environmental improvements.

The financial impact of a downturn in house building is significant. I had hoped, and still hope, to see more from the Chancellor about supporting that important sector, because it is not just in relation to economic activity or GDP that house building matters. Not building enough homes creates more strain on existing housing stock, meaning higher prices for renting and for buying. Higher rents are worse value for money, and the poorest households end up footing the bill for higher rents that they simply cannot afford. That is not fair, and it needs to be addressed.

[Mrs Natalie Elphicke]

As Members of this House will be aware, there are more than 100,000 people in our country who do not have a home of their own, who are in temporary accommodation or homeless. That is why I have been working with colleagues at the Housing and Finance Institute on a plan called Operation Homemaker, to build 100,000 homes over a year and a half to house the homeless and those in temporary accommodation. The HFI's plan calls for a discounted rate of Public Works Loan Board funding for councils so that they can bring forward social housing, as Dover is doing. As we said in the Homemaker report,

“Long term and discounted PWLB can reduce or even eliminate the need for subsidy for listening term affordable rented housing.”

I am pleased that the Chancellor has listened and made new discounted funding available to councils that want to do more. I also welcome his commitment to reforms in relation to the unlocking of pension funds for investment, which is another key part of the Homemaker plan. I hope he will ensure that as those measures are implemented, they support the massive appetite for pensions fund investment in long-term, affordable and other housing. I am pleased that we have secured positive engagement with the Secretary of State for Levelling Up, Housing and Communities on the Homemaker programme, as well as meeting the Prime Minister to discuss it, but I should like the Chancellor to meet me so that we can see what more can be done with the funding envelopes he has set out today to get those houses on the ground for the people in our country who need them most.

Having grown up in a council house, I know from personal experience the importance of stable housing, and how good housing can and does change lives. It is good for the country's balance sheet as well, because investing in stable, secure housing saves money for the taxpayer. It eliminates the £1.6 billion spent on insecure temporary accommodation—and there are a staggering 125,000 children in temporary accommodation—and reduces the massive housing benefit bill. It also adds to GDP. Good, stable, affordable housing supports the mission, stated today, of getting people into work and helping them to stay in work.

I thank the Chancellor and the whole Treasury team again for their work on this Budget. I hope that, together, we will be able to keep Britain building, especially with a new national mission to house the homeless and build the affordable homes that our country needs.

5.11 pm

**Judith Cummins** (Bradford South) (Lab): It is a pleasure to follow the hon. Member for Dover (Mrs Elphicke).

Today's Budget comes at a challenging time for my constituents. It follows 13 years of turmoil, incompetence and empty promises under a Conservative Government. The Budget has promised £80 million to West Yorkshire over five years, or £16 million a year through the investment tax zones, but while I broadly welcome that, it is no replacement for the broken promises of the multibillion-pound return that Northern Powerhouse Rail would have brought.

This Government once spoke of the  
“super-connected, globally competitive northern economy”

that would be made possible through the creation of Northern Powerhouse Rail. In their recent plans, however, they abandoned the much-given promise to connect Leeds and Manchester via a new high-speed line with a city centre stop in Bradford. Instead, the north is having to settle for a mere upgrade to existing lines, and we are told, yet again, not to gripe.

Done properly, Northern Powerhouse Rail would have supported an integrated urban area larger than Birmingham, linking Bradford and Leeds to form a coherent economic unit with a labour market of more than 1.3 million people and creating more than 600,000 jobs. There would also have been the projected £30 billion return from NPR over 10 years. So although it is welcome, when set against this backdrop the £80 million for the whole of West Yorkshire is underwhelming. The Government's choice not to invest fully in NPR means that these short-term savings will have long-term consequences for the people of Bradford.

Bradford is an area of enormous economic potential, as PwC has recognised. I was there when it opened its Bradford office in 2019 during the pandemic, with just 80 staff members. The office has now grown rapidly to employ more than 200 people, because PwC had the vision to tap into the underused talent pool in Bradford. In a market where skills are in short supply, I urge other employers to follow its example. I only wish that the Government would do the same and invest in Bradford, because growth requires a skilled workforce.

During the past five years of this Conservative Government, the education attainment gap between the richest and the poorest has been growing at an alarming rate. I recently met the chief executive of School-Home Support, which is doing tremendous work with primary schools in my constituency. By working with families in both home and school settings, it is helping them to overcome obstacles that limit their children's educational opportunities and life chances. That is working: attendance is improving and attainment is rising.

Because tackling inequality always requires a creative approach that fosters positive outcomes for health, education and community cohesion, there was a real possibility in my constituency, through a strong levelling-up bid, to use the redevelopment of Odsal stadium as a catalyst for regeneration. But despite Bradford being independently identified as the UK's number one levelling-up opportunity, the Government decided against investing in Bradford. With the right investment, and with faith in areas such as Bradford, Britain's economy could be on the verge of a new era of sustained long-term economic growth. My constituents need a Government who are on their side and a Budget that supports their ambitions. They have received neither from the party of gimmicks opposite—not over the last 13 years and certainly not today.

5.15 pm

**Peter Aldous** (Waveney) (Con): It is a pleasure to follow the hon. Member for Bradford South (Judith Cummins). My right hon. Friend the Chancellor was bequeathed a difficult immediate inheritance last October, and in his autumn statement delivered on 17 November he took the first steps towards putting the nation's finances back on a secure footing, laying the foundations for sustainable long-term economic growth. He is to be commended for what he has done in the past four months with



policies that will significantly reduce inflation and cut Government spending on debt interest. His initiatives announced today on childcare, the abolition of the lifetime allowance, universal credit reform and supporting the disabled into work are to be welcomed, as are his announcements on investment allowances and tax breaks. However, in the aftermath of covid, there are ingredients to economic growth that are missing and it is important that this Budget is not the endgame but instead the first instalment of a plan for growth, with parts 2 and 3 being delivered in the autumn and this time next year.

I shall highlight three themes that I believe it is important to keep firmly in mind as we hopefully move on from the seismic shock that covid delivered and the devastating and heartbreaking ongoing impact of Putin's invasion of Ukraine. First, it is important to continue to support—albeit hopefully on a reducing scale—those people and businesses who have been most impacted by that cruel double whammy. My right hon. Friend the Chancellor is right to extend the energy price guarantee scheme for three months and to introduce the energy bills discount scheme for businesses. He is also right to support local councils with their leisure centre costs, and I welcome the support for the charitable and the third sectors.

My right hon. Friend needs to keep the situation under review, however, and I suggest that he needs to pay particular regard to the following groups. The first is the disabled, and I am thinking particularly of those with neurological conditions such as Parkinson's, multiple sclerosis and motor neurone disease, who have been seriously impacted by the dramatic increases in energy costs. We must not forget the ongoing challenges that they face. In the longer term, it may well be appropriate to introduce a social tariff to support such vulnerable groups, and I would urge the Government to look closely at how that might work. I am also conscious of the needs of businesses that face particular challenges. I have in mind such sectors as metal finishing, which use large amounts of electricity. They are losing work overseas and are not as yet included in the Government's support for energy-intensive industries. I urge the Chancellor to keep that under review.

Secondly, it is important to put in place measures that enable businesses to thrive. The tax breaks and offsetting arrangements that my right hon. Friend has announced today are welcome, but they are only a start. In the autumn statement, he announced major reforms to business rates, but this work needs to be continued. In the short term, the Non-Domestic Rating (Lists) Bill must be introduced as quickly as possible, and in the longer term, work should continue so that business rates return to being a much smaller component part of a business's operating costs.

The energy sector is a vital part of the UK economy. From a local perspective in East Anglia, there are significant opportunities for generating prosperity and jobs, ensuring our energy security and driving forward on the road to net zero. There is enormous potential in offshore wind, nuclear at Sizewell and the oil and gas sector, through the North sea transition deal, which also paves the way for hydrogen and carbon capture and storage, on which we did get some good news earlier.

If we are to realise the potential of this once-in-a-lifetime opportunity, it is vital that we reform our fiscal and regulatory regime, so that investment does not go overseas,

whether to the US, Europe or beyond. The Chancellor has made a start in meeting that challenge and I look forward to the Government's clean energy reset, which must enable the UK to retain its position as a global leader in the energy sector.

To achieve long-term economic growth and to enable people to realise their full potential, we need a skills revolution. There remains a great deal of work to do on that. It is right that the Chancellor is looking closely at it and has asked Sir Michael Barber to carry out a full review, but in the short term further education colleges, such as East Coast College in Lowestoft, are doing their great work with one arm behind their back. In the immediate future, there is an urgent need for more revenue funding to get through an incredibly challenging period. I highlight the need in the longer term to reform the apprenticeship levy.

Thirdly, let me turn to levelling up. Along with the hon. Member for Cambridge (Daniel Zeichner), I co-chair the all-party group on the east of England. In December, along with the Local Government Association, we published the "Levelling up the East of England" report, which concludes that, on five of the levelling-up missions, there was very low confidence of their being achieved. One of those missions is infrastructure, so the lack of Government support for the Ely and Haughley junction rail improvements, from which the whole UK would benefit, is very disappointing. I urge the Government to continue to work with those in the region promoting this project.

On a positive note, I welcome the announcement of funding for the Lowestoft seafront jubilee parade project, which is an important part of the regeneration work taking place in Lowestoft and will help to revitalise the town, making it a compelling place to live, work and visit. However, I cannot hide my disappointment that none of the 12 proposed investment zones is in the east of England. In Lowestoft, we have a successful enterprise zone that is in need of refreshing. We had a false start last September, when Suffolk County Council and East Suffolk Council put forward exciting proposals for investment zones. It now appears that nowhere in the east of England will have an opportunity to even be on the starting grid. In that context, the mantra of "Enterprise, employment and everywhere" does ring slightly hollow.

In conclusion, this Budget is not the endgame. There is a lot of unfinished business. Last November, the Chancellor delivered his prologue. Today, he has provided act one of his strategy for growth. Acts two and three come in the autumn and next spring. I have highlighted the work that I believe remains to be done and, in the coming months, I look forward to working with him and his colleagues in the Treasury to meet those challenges.

5.23 pm

**Gareth Thomas** (Harrow West) (Lab/Co-op): It is a pleasure to follow the hon. Member for Waveney (Peter Aldous), who rightly implies that this Budget offers thin pickings for most in the UK—it certainly does for my constituents. It underlines the fact that we have seen no wage growth across the UK for 13 years. Taxes are at record levels and we have the OBR confirming today the grim news of record falls in living standards. It would be churlish of me not to welcome the moves on childcare, albeit with the powerful caveats mentioned

[Gareth Thomas]

by my right hon. Friend the Member for Barking (Dame Margaret Hodge), and the move on prepayment meters.

I want to highlight a message from Japan's decade of lost growth, with which many in this House will be familiar. It took place at the end of the 1990s, when there was an annual rate of growth of just 1%. Between 2016 and 2025, the UK is set to experience even worse—an average growth rate of just 0.8%. We face a Conservative decade of lost growth, missed opportunities and, as my right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer) said from the Dispatch Box, managed decline. The Resolution Foundation last year underlined the significance of that lost decade for the UK: typical incomes are higher in Ireland than in the UK by 6%, in France by 10% and in Germany by 19%. Those are extraordinary figures that underline the point about the UK increasingly having become the sick man of Europe—a profoundly worrying state of affairs for us all.

The Resolution Foundation also highlighted last year that the Conservative party's particularly toxic combination of low growth and persistently high income inequality has led to some in our country being particularly exposed to the cost of living, so it was particularly disappointing, although sadly not surprising, again to see nothing of substance in the Budget to tackle the rise in child poverty. Nearly 20% of children are living in poverty, including almost 16% in my constituency alone. We can do better as a country and we must do better for our constituents, although I fear it will fall to a future Labour Government to reverse the trends.

I am particularly disappointed that the Chancellor has not brought forward a bolder package to address the slow growth that Britain has experienced over the last decade and is likely to see over the next two or three years. Other G7 countries have seen faster growth—for example, in exports to the world's largest economies. Germany and America, and even Italy and France, have seen their exports to the world's fastest growing economies in the G20 racing ahead of Britain in the last decade. The poorly negotiated trade deal with Europe has clearly done considerable damage and the lack of the much promised US trade deal has not helped, but cuts in support to British businesses wanting to attend trade shows, a woeful Government website for helping exporters, late decisions by Ministers on which markets to prioritise, and then little follow-up from Whitehall when businesses go to those markets, are consistent criticisms from British businesses.

The other striking thing about the Budget is how little there is for our public services, which are heavily stretched—to put it generously. That is perhaps hardly surprising given the attacks on staff in those public services who have the temerity to ask for decent pay. We all remember only too well that on the Prime Minister's watch nearly £30 billion has been lost to fraud, vanity projects and even crony contracts. That could have been invested in galvanising the green economic renewal that our country so desperately needs, or simply in our schools, hospitals and police.

In Harrow, our public services are crying out for investment. There is huge pressure on our GP surgeries. Over 2,000 people in Harrow had to wait more than a

month for a GP appointment in January, and 8,000 had to wait between two and four weeks. That is not a criticism of the staff who work at our excellent GP surgeries; it is simply the fact that they are under huge pressure. Similarly, at Northwick Park Hospital, which serves my constituents, over 43%—almost 50%—of people attending accident and emergency services are having to wait longer than four hours. It is not that long ago that we had three clinics that supported GP surgeries across the borough of Harrow, ensuring that no one who needed to see a doctor or a nurse waited more than an hour. Many now face very long waits to do so, which inevitably increases pressure on the rest of the NHS.

The Chancellor knows that there are huge staff shortages in the NHS. He also knows that, if he backed the abolition of non-dom status, as Opposition Members have argued for, we could double the number of medical school places and train some 10,000 more nurses every year. That would certainly make a start. But to address the crisis in NHS, it is not just staff that we need. None of the 40 new hospitals that we have seen promised has actually had work begin on it, and all the while the need for new investment is growing across the NHS estate. At Northwick Park Hospital, as well as a rising backlog of essential maintenance, there is a need for capital investment in new intensive care beds to help to improve A&E services. This Budget does not offer much hope that there will be change in that regard.

Our borough's schools need more investment, too, and a Government determined to put in place a plan to boost recruitment and help headteachers retain staff. Per-pupil funding is lower now in real terms than a decade ago. It was striking that the Chancellor of the Exchequer had nothing to say on that.

The Chancellor also had nothing to offer on more funding for our police services. We have seen a drop of more than 75% in the number of police community support officers in London over the last eight years. Where once we had local police teams of a sergeant, three police constables and three or four PCSOs in every area of Harrow, now we are lucky to have one PC and one PCSO per ward, and even that has required extra investment by the Mayor of London to achieve. Funding for the Met police is so tight that it cannot fund town centre police teams in every part of London. The constituency of the former Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), gets a town centre police team, but my Harrow West constituency does not.

I must say that this was a very disappointing Budget. I hope we will see a Labour Government soon to put right its mistakes.

5.31 pm

**Nigel Mills** (Amber Valley) (Con): It is a pleasure to follow the hon. Member for Harrow West (Gareth Thomas).

A few weeks ago, if I thought about the Budget, I probably thought the Chancellor should not bother: there would be no wriggle room, he had no money to spend and he might as well wait until the autumn when we have a better idea of what the public finances look like. However, we have had some quite significant announcements today. I remember being advised a few years ago that in a £2 trillion economy, any intervention of less than £1 billion probably will not touch the sides

and is not worth that much excitement. I always look through the Red Book to see how many things score more than £1 billion and, out of a total of £20 billion in new policy announcements for the next financial year and the one after, the childcare changes, the full expensing, the fuel duty, the energy price guarantee and defence spending are all over £1 billion, so there are some quite significant items and some quite far-reaching changes there.

My constituents will particularly welcome the fuel duty freeze and the retention of the 5p reduction from last year, which will help them with their cost of living. I think it is right to retain the energy crisis support—I called for that on the cost of living support payments—but I am not quite sure why we did not just extend it until after next winter. If we think bills will be below £2,500 on the price cap, there is no cost to having the extension, but if we think bills will be higher than that we will need the extension, so I urge the Government to keep an eye on that and provide people with certainty for next winter that their bills will not be any higher than they have been this winter. I also agree that the long-overdue changes on prepayment meters make complete sense.

The childcare changes are hugely welcome, and I welcome the fact that they pick up many of the ideas in the Work and Pensions Committee report from a few weeks ago. At some point, though, we should stand back and think, “If we decided years ago that we would effectively give people free childcare from when their children were aged nine months until they leave school at age 18, would we structure it quite like this, with the complex number of schemes, the 30 hours, the tax-free childcare and all the other options, or is there a better way of delivering this for people that is not so quite cumbersome for them?”

As the parent of two children who will be three in three weeks’ time, I can say that 30 hours’ free childcare for some weeks of the year does not mean my wife can work full-time 46 weeks of the year; it means she can work part-time for some of those weeks. We should be careful with what we are offering. If we think we need wraparound childcare from 8 am to 6 pm for kids who are five, do we need that for kids who are two as well? I think we need to think through what we really want. If we want people back working nearly full time, do we need to have a slightly different offering?

I also welcome the support for swimming pools. I have three effectively council-owned swimming pools in my constituency, and there have been huge problems with their energy bills. The council tax rise was, in part, to pay for the heating of those swimming pools, so the support is welcome, and I hope that the council can now find a new use for all that money.

The pension tax changes are hugely welcome. I think we have all wrestled with how to stop the pension tax system, which was designed to limit how much tax relief people got, driving out of work people we desperately want to be in work. There have been a load of crazy ideas about just changing that for one sector of the economy, which would have been completely unviable. There was, I think, no alternative but to change the lifetime allowance significantly. I was a bit surprised that it was abolished completely—I actually think that it would be better to have a larger lifetime cap rather than an annual cap. I am not sure that I am that worried

about restricting it year by year, but I think it is right to restrict how much tax relief people get over their whole working life.

It is worth noting that we have not changed the reduction in the allowance for people earning over £240,000 a year, so it will not be a big change for the highest earners. I also think that it is right that we have effectively frozen the tax-free lump sum at a quarter of the current lifetime allowance rather than have it increase, effectively, to anything. That has been sneaked into the detail.

Perhaps similarly to the childcare stuff, I think we need to step back and ask, “What are we trying to do with our tax regime for pensions?” We have always said that they should be tax-free on the way in and that people will then be taxed on the income that they draw down. We then have limits on how much tax relief people can have. Is the new system really a coherent, sensible way of incentivising pension saving? I think that, at some point, we should perhaps have a proper review asking, “What are we trying to do? Who are we trying to help? What are we trying to incentivise?” We could then use the £50 billion or so a year that we spend on this to achieve the outcomes that we want.

Likewise, full expensing for capital spend is probably welcome if it encourages and increases investment, but our way of giving tax effect to capital spend for businesses is somewhat haphazard. I would like to encourage people to reshore manufacturing, as the Americans have been doing over the past two decades, but what tax relief would people get for building a factory? Nothing for buildings. They would get some for the equipment embedded in those buildings, but nothing for the actual factory. Is that a sensible situation? Why would we not give tax incentives to build factories in the UK, but give a 100% allowance in year one to buy some more computers? That is a slightly counterintuitive situation. I am not sure how many businesses can really use 100% of their capital spend against profit in year one. I suspect that for those that can, it will be hugely welcome, but others will now have to defer those deductions and try to use them over a more sensible time.

I would have thought that, if we are to get to the end of the three years and make it permanent, we should just step back and ask, “What do we want to people to do, how do we incentivise that, and what is the best use of the money that we allocate to it?” This is a welcome short-term fix, but as with so many things, we need to make it work for a longer time.

Finally, I welcome the announcements on nuclear. I remember Rolls-Royce in Derby being very keen on small modular reactors about six or seven years ago. Could we please order some so that we can show the world that we can make that technology work and that we are committed to it? I hope that, by the time we get to the next Budget, we will actually have bought one. Then we can really go full steam ahead on these things.

5.38 pm

**Ruth Cadbury** (Brentford and Isleworth) (Lab): It is a pleasure to follow the intriguing speech of the hon. Member for Amber Valley (Nigel Mills). He and several other Conservative Members seem to have doubts about some elements of this Budget. I am sure the Chancellor is pleased that he has managed to be in post long enough to deliver a Budget and is hoping not to torpedo the economy like his predecessor.



[Ruth Cadbury]

This is yet another Conservative Budget that fails to invest in public services, fails to address the cost of living crisis, fails to adequately support businesses and, most of all, fails to plan for the future. Today was the chance to unlock Britain's potential, but the Budget has been a series of titbits to paper over the cracks of the Conservatives' failure, after 13 years in government, to deliver consistent and green growth.

In September, the Government delivered a mini-Budget that shook our economy and delivered a huge shock to businesses and residents across my constituency. Meanwhile, we are in the middle of a largely avoidable cost of living crisis. Real household incomes are due to fall by 5.7% over the next two years—the largest fall in living standards since comparable records began.

Turning to business, over the past month I have spoken to so many businesses—locally and nationally—that are struggling, or want to grow but are being let down by the Government because of either the Government's incompetence, sky-high energy bills, or delays in key decisions. Many are family-owned businesses: last week, I met a family in the pub that they run in Isleworth. Their previous energy contract ended in October, and they had no choice but to be locked into a contract that means they are going to be paying three times their previous energy costs over the next year. They are locked into a rate that could put them under. The energy bill relief scheme, which ends in March, will be of no help to them due to the sheer scale of that locked-in rise, and I am not sure that the draught duty extension announced today will be enough to help that pub.

When I visit businesses on Chiswick High Road, they tell me time and time again just how broken our business rates system is. It is outdated, unfair, and hammering businesses when they most need support. The chair of the Federation of Small Businesses, Martin McTague, has said today that

"today's Budget will leave many feeling short changed...the Government's lack of support for small firms in critical areas is glaring",

and from what I can see, there has not been a lot of extra support from Make UK or the British Chambers of Commerce. That is why we need a Labour Government who will support businesses and workers and invest in public services. Between those things, we will get our economy growing.

Collaboration, not short-termism and delay, is key to how Government should behave towards business. Whenever I meet business leaders, I hear example after example of the Government's inconsistency. The ban on offshore wind turbines that existed for more than a decade meant that UK firms were exporting wind turbines, rather than building them for our own energy grid. We know that the UK is falling behind in ensuring that electric vehicles and batteries are built in the UK. New plants could provide well-paid and skilled jobs here, but the Conservatives have simply failed to plan or invest. The chief executive of the Society of Motor Manufacturers and Traders said after today's statement that

"There is little...that enables the UK to compete with the massive packages of support to power a green transition that are available elsewhere."

He is another key business leader who does not agree that the Chancellor is removing obstacles that stop businesses investing, as he promised today. Delays in confirming future standards, such as vehicle safety standards, mean delay in future production decisions.

Of course, all of this stems from this Government lacking an industrial strategy and from inconsistency with other policies. Where does pausing HS2 and cutting the budget for walking and cycling sit with reducing congestion on our roads and our rail networks, net zero, and investing in jobs and manufacturing? The chair of the National Infrastructure Commission, Sir John Armitt, said that this lack of planning, especially around HS2, is impacting on the "confidence and certainty" that businesses need when making investment decisions. Whether it is housing, lab space, skills, or capacity in the energy grid, it is clear that the UK lacks the basic infrastructure we need to grow our economy. Businesses want to do the right thing; they want to invest in new and greener technology, like the industrial launderette or the retailer of green mopeds that are in my constituency. They want to grow—they want to shift to greener technology and grow their sales and their business—but they are not being given the tools to do so, and I see little, if anything, in today's Budget to encourage them.

For many of my constituents, this Budget will simply continue the pain that 13 years of Conservative Governments have brought for them: underfunded public services, low growth and rising costs. Families and businesses across my constituency are struggling, yet this Budget offers them nothing new—oh, sorry, I do apologise, there is one new thing: the pre-announced "free" childcare places for one and two-year-olds. I spoke on this subject in Westminster Hall a couple of weeks ago. Will those places be properly funded so that childcare settings do not go under? Will the policy provide places for the children who will benefit the most: those whose parents are not yet getting 15 hours' regular work per week, or those with disabled children?

In conclusion, this Budget does little to get this country out of the doom loop of low investment and low growth, yet high taxation.

5.44 pm

**Giles Watling** (Clacton) (Con): It is a pleasure to follow the hon. Member for Brentford and Isleworth (Ruth Cadbury). There are many things in my right hon. Friend the Chancellor's Budget that I welcome, but I start with two. First, the doubling of the care relief threshold, giving an average tax cut of £450 for qualified carers. That is great news for Clacton, which has an economy that is based on care and tourism, and we need that incentive for care. Secondly, the £200 million for potholes—they are a hole in our budget—will be an enormous help.

One thing I must mention is the extension of tax relief for theatres for another two years, which has made me simply ecstatic. I am the chairman of the all-party parliamentary group for theatre. Given the nature of how they work, theatres were the first to close in the pandemic, and the last to reopen. Their energy bills are soaring and they are struggling to get bums on seats. We cannot give up our great soft power offer that goes across the globe; since the time of Shakespeare, we have exported the English language to the world through theatre, film, television and the performing arts, which

we must support. I have travelled the globe taking great theatre to every corner, and it is a soft power that we must not forget. They need help with their energy bills now, and I will shout about that a lot in the future.

We Conservatives pride ourselves on being the party of low tax and high growth, and on our ability to look after taxpayers' money. It is worth saying again and again that it is not our money, the Government's money or this House's money; it is the people's money—taxpayers' money. As my right hon. Friend the Chancellor stated earlier in the week, it was due to Conservative fiscal diligence—saving 80% of the finances coming in at the time—that we could afford to deal with the pandemic and not least the incredible furlough scheme that saved people's jobs. However, people need a break—as much as some people need time off and a good holiday, perhaps visiting the wonderful sunshine coast of Tendring, people need a tax break for growth. With soaring energy bills caused by Putin's horrific war, and inflation making pay rises ineffective and running a home nearly impossible for many, people need to be paying out less. If we allow the public to hold on to more of their money, what do they do? They spend it. We all know in this place that the economy goes round and round, so that is what we must do.

One area we must tackle is outdated taxes. Business rates and council tax are spectres from the past—decades out of date and not collecting anything resembling the real-life impact. For example, two people in a band D home will pay as much as four people next door, despite representing 50% less service use. A shop can have a far greater tax burden than many online and tech entrepreneurs, who can operate from small spaces. We need to grip these issues, and Governments have not gripped them for decades out of fear of reform.

**Richard Graham** (Gloucester) (Con): Does my hon. Friend share my enthusiasm for the Government's tackling of the social injustice whereby those on prepayment tariffs end up paying more than the rest of us? Does he agree that the reduction in prepaid tariffs to the average cost of everybody else's tariffs, saving those people about £50 a year, is a good step forward?

**Giles Watling:** My hon. Friend makes a good point, and I applaud him for bringing that up in the middle of what I have just been saying on these issues.

What have we done so far with these taxes? We pretend that the current system works by just adding pieces on. We increase corporation tax for the private sector and add additional precepts to local government, all to get around the fact that these outdated taxes no longer represent the reality they are supposed to target. We must not just tinker and tax; as we move forward, we must reform and renovate.

While smaller businesses need the financial assistance of paying less into the state, some companies can afford the opposite treatment. Those companies that profited from the pandemic must contribute to the one third of a trillion pounds in debt that we ran up during that time. They include oil and energy companies, which are making an absolute killing through enormous and unprecedented profits. At the same time, deprivation in parts of my constituency has not changed at all.

I am always resistant to the introduction of new taxes; however, introducing a temporary levy on covid profits would correct an injustice that we have all seen over the last few years. I hope that my right hon. Friend the Chancellor has taken this on board; in our meeting yesterday I banged on about primary care at Clacton and District Hospital and banged on again about the rail links to the east of England—Ely and Haughley, which my hon. Friend the Member for Waveney (Peter Aldous) brought up earlier—and the Chancellor's ears must now be melting from those attacks that I keep giving him. However, he is very receptive on the whole to the needs of Clacton, and also to those of the country, and I commend his Budget.

5.50 pm

**Chris Evans** (Islwyn) (Lab/Co-op): It is always a pleasure to follow the hon. Member for Clacton (Giles Watling), who is frozen in time for those of us of a certain vintage as a vicar who married into an extended Liverpoolian family. I think it was around the time, Mr Deputy Speaker, that we first met, when I was a little boy and you were the candidate in the Pontypridd by-election. We are all showing our age here.

When Ministers are asked what the Government are going to do about the cost of living crisis, they often reply, "We are taking tough decisions." We already know that the tax burden is at its highest level ever, while inflation runs at 10.1% and interest rates stand at 4%. This raises the question of who is really bearing the brunt of these tough decisions. Is it the homeowners exiting fixed-rate deals only to be faced with new ones with higher rates, and with little money left over for spending on other essentials? Is it prospective first-time buyers who feel that ownership is just a pipe dream and, even if they cannot afford a mortgage, worry that rents could rise as landlords pass on higher mortgage rates? Is it the carer who finds that higher fuel prices are eating into their pay, as they rely on private transport to deliver vital services to vulnerable people? Or is it those who get paid on a weekly basis and struggle to budget for their monthly direct debits? For many people the cost of living crisis is not a political slogan; it is the reality of their daily lives. It is they who really are taking the tough decisions, not the Ministers who are sent out to defend the Government week in, week out.

The UK economy has been hit by a series of significant economic shocks, including the change in our trading relationship with the European Union, the covid pandemic and the sharp rise in global energy prices related to Russia's brutal war on Ukraine and its people. For the United Kingdom, these shocks have eroded the terms on which we trade with the outside world. The prices we can get for the goods we sell have not kept up with the prices we have to pay for the goods we buy. The Government position has made us poorer as a country. The fall in our national real income has manifested itself in a rise in the prices we have to pay for the things we buy as consumers.

This position was not helped by the infamous "fiscal event" last September which saw the biggest programme of tax cuts in half a century, one that benefited the very wealthiest while adding tens of billions of pounds to the national debt; and I see from today's announcement that the Conservative party has not learned from that.

[Chris Evans]

The result of that fiscal event was the pound dropping to its lowest level against the dollar since 1985, and the UK is now the only country in the G7 to be forecast negative growth this year. The new Prime Minister has peddled the myth that he will halve inflation in a year, and we heard that from the Chancellor earlier—he said it will be less than half. This is in the hope that people somehow believe prices will be halved as well. That goes against economic orthodoxy: when prices stay high, they very rarely come down, and they certainly will not be halved if inflation is halved.

**Richard Graham:** Page 9 of the “Impact on households” distributional analysis has a chart that clearly shows that the major beneficiaries of this Budget are those in the bottom decile of earnings, and then the values in the graph slope downwards so that they are negative for those in the deciles above 7, to 8, 9 and 10—the most well-off in the country. Therefore, this Budget very much helps all our constituents who are the least well off. Does the hon. Gentleman agree that the whole point of public spending and taxation is to help our least well-off constituents?

**Chris Evans:** I have always admired the hon. Gentleman. When I first came into the House, the first intervention that I took was from him. We talked about high unemployment and I think he said something along the same lines. I urge him to look at that graph again, however, because those are frozen thresholds. There is real danger when we look at the fine print of the Budget. What always happens is that the euphoria of the Chancellor’s Budget speech is unpicked by the media on Saturday and Sunday, so I hope that we can have a discussion on Monday about the same issue.

It is families who pay the price in the Budget, which appears to be a theme across the Government’s economic plans. The developments on energy prices, about which we are all concerned, have been particularly stark. In October, as the energy price guarantee was put in place to moderate what would have been an even higher increase in Ofgem’s price cap, the typical energy price bill was still nearly twice as high as a year earlier. Who knows what the Government will do after June? Household energy prices will not come down to previous levels any time soon, and from a cost of living perspective, it is the level of what people must pay that matters. Energy bills will remain a challenge for many people, particularly those on lower incomes. Again, I am afraid that the evidence suggests that the Government are not siding with working people and have not made the oil and gas giants pay their fair share.

The story is similar for another essential in life: food. Before the war, Russia and Ukraine supplied a significant share of the global consumption of agricultural products such as sunflower oil, wheat and barley. With disruption to those supplies, prices increased sharply over 2022, which drove up food prices in UK shops and supermarkets, including for the basics that everyone has in their cupboard or fridge. In some supermarkets, a pint of milk increased from 80p to 95p, pasta went up from 45p to 70p and some brands of butter are up to nearly £5. They may seem like small increases, but when added up, even the smallest changes can make a huge difference at the end of the weekly shop. Every day, people see that for themselves and do not know how they will pay for it.

Before the crisis, food bank usage was on the rise. Between April 2021 and March 2022, the Trussell Trust distributed more than 2.1 million emergency food parcels to people in crisis, which is an increase of 14% compared with the same period in 2019–20. Food is one of life’s essentials—we cannot get away from that; we need it to live—and the fact that many people across the country can no longer afford to pay for it is a disgrace in the 21st century.

The issue is deeply affecting my constituents in Islwyn. The Trades Union Congress found that one in five people in Islwyn have missed a meal or gone without food during the present crisis. According to Action for Children, 4,578 children were living in poverty in my constituency in 2020. We can no longer leave the hard-working people and children of this country to go hungry.

I cannot talk about the Budget without talking about housing, or the lack thereof. New mortgage rates are higher than they were a year ago, which means that about one in 10 households will see their mortgage rates go up this year. If new mortgage rates rise by 3%, as market rates currently suggest, the typical monthly interest payment will go up by just under £250 for everyone. In the Budget, however, there is no mortgage emergency plan or the plan for affordable housing that we were promised.

The people who are affected are simply playing by the rules and working hard for little reward. The UK economy is suffering because of the global energy price shock and a decade of poor productivity growth, which has been made worse by erecting huge barriers to trade with the EU. Those circumstances are making everyone poorer, with consequences for low-income households with children, people with disabilities and poor pensioners.

We desperately need urgent support to be targeted at the hardest-hit households, plus an investment in skills, infrastructure and business finance to rebalance the economy away from growth based on consumer spending fuelled by rising house prices towards business investment and exports. After 13 long years, the Government can be characterised by low growth, low wages, higher prices and Government waste. Frankly, it is time for a change. This country deserves better.

5.59 pm

**Barry Gardiner** (Brent North) (Lab): It would be churlish not to welcome some aspects of this Budget. [HON. MEMBERS: “Hear, hear.”] Yes, absolutely. The extra money for childcare is not comprehensive and it does not recreate the life-changing Sure Start of the last Labour Government, but it will make a real difference to parents of young children. But what chutzpah! What chutzpah of the Chancellor to steal some of the proposals of my hon. Friend the Member for Houghton and Sunderland South (Bridget Phillipson) and take credit for addressing childcare costs, but then delay implementation of the policy until the middle of next year, in time for a Labour Government to pay for it.

I welcome the action taken on prepayment meters, which will make a real difference to some of the poorest families in our country. But again, what chutzpah. My hon. Friend the Member for Brent Central (Dawn Butler), my constituency neighbour, has been urging every Chancellor since George Osborne to resolve this inequality.



I welcome the action taken to allocate £20 billion—over 20 years—for carbon capture, use and storage. But again, what chutzpah. Thirteen years ago, the incoming Tory-Liberal Government inherited £4 billion already allocated to CCUS, and they cut it.

Too often, debate in Parliament degenerates into set speeches, but the Budget debate is one of those occasions when we really can take on each other's speeches and respond to what has been said. I listened very carefully to the right hon. Member for North East Somerset (Mr Rees-Mogg), who attacked the Chancellor and pointed out the failures of his party to adopt a consistent economic policy to lower the overall tax take. He said that they should have thought through the tax take policy in

“a way that would actually work”.

It is just a pity that he was not part of any Government who could have done anything about it.

The question my constituents would ask is: work for whom? I have spoken before in this Chamber of the queues that stretch down the Ealing Road in my constituency and around the corner, where I live, in Chaplin Road—extending over half a mile—waiting for the food bank at the Shri Sanatan Mandir to open. For the past 13 years, the economy has not actually been working for them. It has been working for the individuals who have managed to amass a pension pot in excess of the £1,060,000 lifetime allowance limit. After today, it will work even more for those people, as they can shelter even more money from tax.

The right hon. Member also posed what I thought was a rather rhetorical question to the House. He asked:

“But who knows best how to spend their money—the businesses or the Government?”

He did not stay for an answer, but my constituents might have replied: best to achieve what? If it is to spend that money in such a way as to maximise the return to their shareholders, the right hon. Member is correct: the answer is business. However, if it is to spend that money in such a way as to achieve the maximum public good, it is undoubtedly the Government, by using the money paid in tax to keep us safe by paying our armed forces; to keep us healthy by paying for our NHS; or to keep us wealthy by investing in education and apprenticeships, so that those businesses have the supply of skills and labour they need to make that profit in the first place.

I also support the Government's desire to boost enterprise and to grow wealth in our country. I understand the case for R&D tax credits, even at the level of 100%, but they should not contradict the Government's other objectives. If they pay those credits to international companies such as Amazon, which will pay no tax in the UK while siphoning its profits out of the country, it is not our economy that they are growing.

Equally, it makes no sense to be paying 100% of the cost of oil and gas companies such as BP and Shell for exploitation of new fossil fuel reserves in the North sea, which will contradict our net zero objectives. These companies are already making record profits on the backs of bill payers in the UK. I would ask the Chancellor to put a green filter on R&D tax credits.

At a time when our household energy bills are the highest in history, the OBR says that real household disposable income is decreasing by 4.3% this year and

by 5.7% over the next two years. That is the largest decline since the year before I was born—and I, though I may feel like one, am no spring chicken.

The Chancellor had four E's, but he missed out the most pressing E of all: the environment. The Committee on Climate Change set out that we will not achieve our net zero target without a strategic programme to reform our regulatory frameworks and market design that galvanises between £300 billion and £430 billion of investment and removes the barriers to the construction of a new renewable energy infrastructure. I am afraid this Budget simply does not measure up.

6.5 pm

**Matt Western** (Warwick and Leamington) (Lab): Mr Deputy Speaker, you probably did not hear an interview I did with BBC Coventry and Warwickshire Radio back in 2021. I was talking about the pandemic. I said that inflation was something we should be concerned about and that it could potentially rise to 7%. I had been talking to local businesses, such as the Box Factory, Vitsoe and Picturesque picture frames, which were seeing huge rises in the price of glass, cardboard and so on.

Spin forward a couple of weeks and the then Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), said on Sky News that people's fears about inflation were unfounded. I am not sure where the then Prime Minister had his head at that time—whether it was in an ice bucket or in the sand—but his Chancellor should have pointed out to him what was going on. It was really clear to businesses in my constituency what was going on, and that was long before Russia's illegal invasion. It was not just the fact that the price of gas was going to increase from that point, but we had no energy storage. It was rather like going into the pandemic when we had no personal protective equipment.

Spin forward 12 months and we had a new Prime Minister, a new Chancellor and the kamikaze Budget. Straight after that statement, the right hon. Member for Spelthorne (Kwasi Kwarteng) said, in answer to my question, that I was fearmongering when I said there would be a run on the pound. What happened next? The Bank of England was left to bail out this Conservative Government. In any other organisation, the directors would have been sacked long before this point of 13 years if the shareholders had been able to have their say.

Now we find ourselves on, I think, a fourth Chancellor. We hear that things are getting better versus last October. Well, one would hope that they are, given where we were. If we stand back and look at where we are, we have the lowest growth in the G7—even sanctioned Russia might be ahead of us now. The World Bank describes us as having the weakest economy. The medium-term forecast does not look good. Inflation is one of the highest in the G20. It is not rocket science how we seem to have got here.

There are some positives in the Budget. In particular, I applaud the idea of enterprise zones around universities. Those investment zones will be a very good thing and I would welcome more of them, because I believe they can be dynamos of a new economy. On the cost of living, I certainly welcome the extension of the energy price guarantee and parity on charges for prepayment meters with those who pay by direct debit. That is long overdue.

[Matt Western]

However, on the impact on real wages, we have heard that real household incomes will fall by 5.7% over the next two years, the worst performance since records began 60 years ago. Compare that to France, where the average French family will be 10% richer than those of us in the UK. In Germany, they will be 20% richer. Both are working approximately 20% less than us. That is the social scandal of our time. At the same time, mortgages in the wake of last year's kamikaze budget have increased by, on average, £2,000 on a variable rate mortgage. Given the frozen income tax thresholds that the Chancellor previously announced, we have a £500 increase for those on the basic rate and a £1,000 increase for those on a higher rate.

I welcome some of the moves on childcare, but our proposals are a lot better. A nursery provider in my constituency texted me earlier to say that the funding equates to 26p per child per hour, and will not make a blind bit of difference. On pensions, I do not understand who will be the great beneficiary. What percentage of the population will benefit from going from £1.06 million to £1.8 million? It sounds like the super-wealthy in our society—a big win for the wealthiest, and perhaps more help for bankers but less for ordinary folk. It will do nothing to get retired consultants back into the NHS. It is too late.

**Anthony Browne** (South Cambridgeshire) (Con): Will the hon. Member give way?

**Matt Western:** I will not, because we are short of time. Corporation tax is rising to 25% from 19%. George Osborne told us that we had to reduce it from 29%, which would ensure increased revenues because people would be keener to pay it at a lower rate. That does not seem to have transpired. Let us compare that to France and the US, which have much higher levels than us today. How much tax revenue have we lost from corporation tax since 2014?

The lack of a coherent industrial strategy is striking. I want to focus on the automotive sector. We have just one small gigafactory in the UK, versus five in Germany and five more planned. Labour has gone on record to say that we want to build them. Those investment decisions are ebbing away from us. Ford has divested out of Dunton. Tesla had the opportunity to come to the UK but said that it would not because of Brexit. We need companies such as Northvolt and others to come and invest in the UK. Mike Hawes of SMMT said:

"There is little that enables the UK to compete with massive packages of support to power a green transition that are available elsewhere."

Make UK echoes that. Our energy bills are approximately 100% higher than the average of those major European nations.

Small businesses have been ignored once again. The owner of a pub in Warwick has been in touch to say that he will have to close, because he cannot afford it. Another in Leamington has said, "That's it. We're going to close in April. There was just nothing for us." The Federation of Small Businesses supports that, saying that it believes that all small businesses have been short-changed by the Budget—a point backed up by the chamber of commerce. I heard nothing for the self-employed, but maybe I am mistaken.

This has been another Budget with next to no mention of a proper coherent industrial strategy. We have heard a lot about potholes, but the Government cut £400 million from the highways maintenance pothole budget, and then they announce, miraculously, a £200 million budget today. It all seems a little Paul Daniels to me. Ordinary people and small businesses have been left short-changed by the Chancellor's announcements. Somehow, the major promise from today's Budget is a pensions bonanza for the very wealthy. Therein lies the truth of this Budget: it is for the very few.

6.13 pm

**Dave Doogan** (Angus) (SNP): It is the thinnest of gruel in another Westminster Budget, and one from which the people of Scotland will benefit very little, whether they are self-employed, employed or in need of state support. There was one nugget of truth—one kernel of wisdom—in the Chancellor's remarks: independence is better than dependence. That is something that we have known on the SNP Benches for quite some time and I am glad that the Chancellor can accept it. Later, the right hon. Member for Wokingham (John Redwood) trumpeted the success of Irish GDP growth, investment, dynamism and entrepreneurialism, forgetting that if Ireland were still shackled to the Union of Great Britain and Ireland, it would have the autonomy to do no such thing, to empower its people in no such way and to develop that growth not one bit.

Let me first touch on the absence of any increase or inflation to the public sector mileage rate, which was set in 2011. That would have been very well received by hundreds of thousands of ordinary working people. This Government never tire of talking about ordinary working people—I assume they have met some, at least once or twice. Increasing that mileage rate to something more reasonable would have been well received, as 45p does not begin to cover the cost of inflation, much less the cost of motoring. That should have been put up to about 60p.

Last year, this Government removed the rebate on red diesel for plant and machinery, contributing to an already dire situation with construction inflation and putting a real millstone around the neck of capital investment by the Scottish Government and Scottish councils; it is the same in Wales and in England. However, there is a difference: the Treasury pockets the benefit on English capital investment programmes, but it also pockets the benefit on Welsh, Northern Irish and Scottish capital investment programmes. That is yet another example of giving with one hand and taking away with the Westminster sleight of hand.

On defence, we can see on page 31 that the combined resource and capital DEL budgets are £51.7 billion for 2024-25. This Tory Government like to march around with no shortage of puff in their chest, talking about being the guardians and vanguards of defence in the European theatre. Well, I've got news for them. They are claiming to want to uplift the budget to 2.25% of GDP, which would give a £58 billion budget on 2023 projections. They say that at some indeterminate point in the future they will increase that to 2.5%, which would give £65 billion for defence and please some of their critics on their own Benches. The problem they are going to have is that Germany has committed 2%, and

2% of German GDP is £72 billion. So this Government have consigned the UK's defence force to playing second fiddle on the European stage.

I understand the Chancellor's concern because the Ministry of Defence is guilty of eye-watering waste, but the problem they now have is that, to keep the Secretary of State for Defence in his job, they have had to give him some concessions. However, it is not enough and it is clear that the Secretary of State is writing rhetorical cheques that the Chancellor will not cash.

On pubs, there is a public health emergency with alcohol misuse in this country. A lot of that stems not from pubs or restaurants, but from supermarket off-sales, where people buy large quantities of low-cost alcohol and consume it in an unsupervised way, day after day, developing extremely damaging habits. I genuinely welcome the amendments the Government has introduced to duty on draught products, but they need to go further and take a holistic view in order to address the spectre of duty, VAT rates and energy costs over pubs. All of us in this place have pubs in our constituencies that are extremely valuable to our communities. We should all realise that when they are gone, they are gone and not coming back. So proper fiscal intervention to support pubs is the right thing to do. Failing to do that is penny wise, pound foolish.

In this Parliament, I and my colleagues are continually harassed and Scotland is habitually derided by the superior, patronising forces of Unionism—[*Interruption.*] Maybe the hon. Member for Thirsk and Malton (Kevin Hollinrake) wants to intervene? In reality, after 16 years of government, the progress we have made under the constraints of devolution are genuinely remarkable. I am hugely proud of those achievements, even though they cannot be accepted in here by Labour, Lib Dems or Tories. They enjoy the rhetoric; they are less keen on facts.

Scotland is the principal destination for foreign direct investment in the United Kingdom. Scotland is the most productive area in the United Kingdom out of 12 regions, with the exception of London and the south-east. Employees on a median income pay less tax in Scotland than in the rest of the United Kingdom. Someone living in a band D property pays £600 less in council tax in Scotland than in England. England has a tax on ill health of £9.35 for a prescription, whereas prescriptions are funded in Scotland. There are 65 more police officers per 100,000 of population in Scotland, and 226 more nurses and midwives. The hon. Member for Harrow West (Gareth Thomas), who is not in his place just now, is very concerned about how hard it is to get a GP appointment in England; we have challenges in Scotland, where there are 95 GPs per 100,000 of population, so I do not know how bad it must be in England, where there are only 79. Business rates kick in at £12,000 in England and £15,000 in Scotland.

We have achieved those gains—to the benefit of our communities, our enterprise and our population in Scotland—despite this Union. Imagine what we could do when we are rid of it.

6.20 pm

**Charlotte Nichols** (Warrington North) (Lab): Thirteen years of Tory Government have seen a sustained fall in living standards across my constituency, accelerated by the disastrous mini-Budget and the Truss mortgage

premium. My constituents in Warrington have frankly had enough of a cost of living crisis made in Whitehall. It is no longer just those on the lowest incomes who are feeling this hurt, but many who would previously have considered themselves comfortable on the kind of salary on which they could once have raised a family.

We have seen widespread industrial unrest as the pay and living standards of our junior doctors, nurses, posties, lecturers, railway workers, barristers, police and others have been squeezed, while the Government try to balance the books on their backs. The OBR reports that living standards are expected to fall by 6% this fiscal year and next, as inflation outstrips growth—the largest two-year fall since ONS records began. At my weekly surgeries and my doorstep surgeries across Warrington North, the picture is a depressing one.

This Budget does not meet the ambition that we have for our town or for the country. It commits £400 million to levelling-up partnerships in a range of key Tory marginals, but there is nothing for devolution to Warrington and Cheshire. In fact, any devolution settlement support, according to paragraph 3.118 of the Red Book, is contingent on a model with a

“mayor or directly elected leader”—

something for which there is no local appetite. Why do we need another layer of politicians and bureaucracy to make more of our own decisions about our local priorities, when our existing structures are working?

Warrington North has the second biggest nuclear workforce in the country. I welcome the news on the green taxonomy changes for the nuclear sector that the all-party parliamentary group on nuclear energy, which I co-chair, has been calling for, but constituents in the nuclear sector are already WhatsApping me memes about the small modular reactor competition. First, far from being new, it was already tried and scrapped by George Osborne in 2016. Secondly, there are concerns about the UK's competitiveness in this sphere against, for example, GE Hitachi, which has just seen a major pre-licensing milestone in Canada, potentially putting our sovereign SMR sector at a disadvantage in such a competition. Having read through the Red Book in the time available, I cannot see any money allocated for Great British Nuclear either, for all the Chancellor's warm words about its importance in launching it today.

I welcome the support for childcare costs. However, the issue is not just affordability but availability. The timescales for this support mean that many children will be in school before their parents see any benefit at all. Nor does the lack of anything for social care help families who are caring for parents and children or grandchildren at the same time to get back into the workforce. That is not nearly good enough, especially at a time when my local council is having to spend 70% of its budget on statutory care services—a situation that will only get worse over time with an ageing population with increasingly complex care needs.

The announcement of reforms to the medicines approval process is welcome, as it means that patients should receive access to emerging medicines, including psychedelics, sooner than they otherwise might. MDMA and psilocybin are due to receive approval from the US Food and Drug Administration in 2024 and will be approved later this year in Australia. Hopefully, UK patients will gain access simultaneously or soon afterwards. In the meantime,



[Charlotte Nichols]

however, we will continue to lose, on average, 18 people a day to suicide, and our veterans and victims of crime will continue to suffer needlessly with post-traumatic stress disorder. The funds that the Chancellor committed today to the Office for Veterans' Affairs and to the suicide prevention fund, which involves voluntary, community and social enterprise organisations, could be working much harder and going much further if we would only commit ourselves to what colleagues across parties have been calling for: a drug scheduling policy based on evidence, rather than stigma, misinformation and political expediency.

I welcome the measures to support leisure centres—I recently led an Adjournment debate on the need for them—and the differential for draught beer, which will also be greatly welcomed by the all-party parliamentary group on pubs, which I chair. However, while there are aspects that I welcome, this Budget has been lacking in big-vision ideas to get our country moving. Halving inflation does not mean prices coming down; it only means that they rise more slowly. Without a proper pay rise for the country, too many of the essentials of everyday life will still be out of reach for too many, and our local food banks and charity sector will still be stretched far beyond capacity.

There was an opportunity to reform the apprenticeship levy to make it work for businesses, for industry and for apprentices themselves, but this returnerships proposal that no one asked for is what we have instead. That was an opportunity missed. There was also a missed opportunity to improve our bus sector—buses are the most used form of transport in the country—and a missed opportunity to do more for our small businesses: the Federation of Small Businesses has described this Budget as irrelevant to the 5.5 million-strong small business community. There was a further missed opportunity to reform business rates radically to bolster our high streets. However, the biggest missed opportunity of all was the failure to make those who can most afford to pay do just that. A number of companies and sectors, including companies in the oil and gas sector, have made more profit over the last few years than they know what to do with. While my constituents face the highest tax burden in decades, little seems to have been done to tax those giants with the broadest shoulders more.

Sticking plasters are not enough. The Government could have gone much further and been much fairer. Politics is about priorities, and we can see from this Budget today that the people's priorities have been overlooked and millions will understandably be feeling short-changed as a result.

6.27 pm

**Kenny MacAskill** (East Lothian) (Alba): As other speakers have said, there is always something in a Budget to commend, and some elements that are admirable. It is the totality that needs to be looked at, and it is not simply the headline figures that are announced by the Chancellor but the drill-down figures that will appear in days to come that will constitute the analysis of this Budget.

The support for carbon capture and storage is welcome, but the question remains, "Why not in Scotland and in the North sea, which has about 30% of Europe's capacity, given its geology?" Prepayment meters are rightly being

levied, as many Members have mentioned, but why has that not been done already? All that was required was a ministerial letter to Ofgem, which could and should have been sent before winter arrived. It is still snowing in Scotland, and people are freezing. This should have been dealt with a long time ago, as should other aspects of energy that have not been touched on.

There was another welcome announcement about new technology, but where were the announcements about hydrogen or long-duration battery storage? More than 17% of our turbine capacity in the UK, not just in Scotland, has been turned off, not because the winds are not turning the blades but because the national grid does not have the capacity. There is a solution, which is to store it and to use it. That is why we need battery storage and why we need hydrogen—and, as we see from the conflict in Ukraine, we can also get ammonia from it.

Those aspects should have been considered, but, as I have said, this must be looked at in the round. What the Budget does show is that there is wealth in society, and what I want to consider is where that wealth has come from and to whom it is largely going. The position remains that Scotland is energy-rich, yet the majority of Scots are going to find themselves fuel-poor. The oil and gas wealth that we were told in 2014 was all but gone, and would simply be a burden on poor Scotland if we went independent, is now being used as a crutch by the Chancellor of the Exchequer. In addition, there is the situation of offshore wind. At the same time, however, fuel poverty continues to scar Scotland in not just rural but urban areas. There was no mention of unregulated fuels, on which some 8% of people in Scotland still depend. The cost has been even greater than that of gas and electricity, but no steps have been taken to address it.

No steps have been taken to address the needs of those who live off the gas grid, whose fuel poverty has worsened. That can be because they depend on unregulated fuels or because, in urban areas, those in 1960s multi-storey flats or other tenements where gas cannot be provided are dependent on all-electric supplies, which are usually the most costly and the most ineffective in providing warmth. What arrangements have been made for them? Why could the alternative fuel funding not be made available for them? They are in clear need, and that should have been extended to them. We need support for those using unregulated fuels and those in all-electric households in urban and rural deprived areas.

There remains the question of the social tariff. It has been trailed by the Government but we still have not seen an announcement. It is provided by other countries across the world, especially on the European continent, and it is about time that we saw a social tariff delivered here for those who are most vulnerable. We are not seeing support for the poorest, but we are seeing wealthy pensioners being provided for. Earlier this week there was a meeting at which research provided by the Joseph Rowntree Foundation and the Trussell Trust pointed out that since the inception of the welfare state in this country we have always held the belief that there should be a safety net below which nobody should go.

This safety net was initially provided through supplementary benefits. Now it is meant to be provided by universal credit, whether someone is in work or in receipt of a pension, yet the situation that our society now faces is that this is not providing the basic essentials for humans to survive. They do not even have the basic

essentials, leaving aside the need for people to deal with emergencies such as debt crises. It simply does not allow for day-to-day living. The shortfall is £35 per week for a single person and £66 for a married couple. The fact is that people in this country are going under, yet the only people being rewarded in this Budget are those who have the greatest wealth, whether to invest further in pensions or to pass on to those who will benefit from the wealth they have accrued. Society has to be judged by how it looks after its poorest and most vulnerable.

Of course, all of this is occurring in a country that is energy rich. We are talking about probably the majority of Scots, over half the population, being in fuel poverty. Whole areas will be existing in fuel poverty, yet Scotland's energy wealth is being used by the UK to make the rich richer. Scotland's wealth is being extracted and our people are being left bereft. It is not just the oil and gas that I mentioned earlier—let us look at what is anticipated to come from renewable energy.

I asked the then Department for Business, Energy and Industrial Strategy what energy was going to be provided from Scotland to south of the border. I was told that at the present moment 35 terawatts of energy is going south. I confess that I had to investigate what a terawatt was—I had heard of a kilowatt, a megawatt and a gigawatt, but I did not know what a terawatt was. A terawatt is 1 billion kilowatts. The average household in Scotland uses a 4,000 kilowatts per annum. Scotland is sending 35 terawatts south, and BEIS anticipated that by 2030, Scotland would be providing 124 terawatts. That is 124 billion kilowatts of electricity, yet our people are freezing as I speak. People are unable to power their homes. Our energy is being taken. You took our oil and gas, and you are seeking to take our offshore and onshore wind. This is simply unacceptable. This Budget enriches those who are already rich in England while it exploits the natural bounty of Scotland and further impoverishes the poor people of Scotland and across the United Kingdom.

6.33 pm

**Karin Smyth** (Bristol South) (Lab): I am on the optimistic side of the spectrum that the Chancellor was talking about today. I would welcome measures on prepayment meters and some support for suicide prevention, but the most sensible thing he said today was about the contribution that those of us in our mid-50s can make to the economy. Overall, however, it is truly astonishing, knowing how many thousands of pounds worse off people are after 13 years of this Government, that the further low growth we are anticipating will now continue for another two years.

This Government completely lack ambition for the country, but they particularly lack ambition for young people. There was nothing in this Budget for young people, particularly on housing help. There was a failure to reform the apprentice levy as promised, and they are still not doing enough for people from disadvantaged backgrounds.

The Government have broken their promise to fix social care. The stark reality is that more than 150,000 people have died waiting for state social care, and 57,000 people would have received support and they now will not. The Chancellor has promised far less funding for adult social care than he recommended when he was Chair of the Health and Social Care Committee.

I welcome the fact that people who are facing the cost of living crisis will have the fuel duty cut, but the Chancellor has made some clear choices. That £6 billion initiative, plus the additional £1 billion for the pension rise—so £7 billion—would have gone some way towards meeting that social care commitment that he wants to see. What happened to the health and care workforce plan that was so widely trailed? Clearly the Chancellor did not get the thing that he has already committed to past himself in the Treasury—we are expecting it sometime soon.

Childcare providers are at risk of collapse, leaving parents not only struggling with the cost of childcare but unable to find childcare in the first place. Extending hours is simply not enough. Childcare provision is not just about babysitting services; it is about children's wider education. President Biden has put forward a family support package in America, and the Labor party leadership in Australia have looked at childcare completely differently, saying that it is

“an economic reform which promotes inclusion and growth—not a babysitting service. An economic reform that delivers benefits to two generations of Australians...The best start in life for our children...Flexible support for modern families...And a...boost to productivity and participation”.

What we have had today does not meet those challenges and it looks as though it does not even meet the basics that were being asked for.

At the weekend, I was pleased to join the Bristol Women's Commission at its event on the caring economy and how it can add to our productivity. We looked at the infrastructure for carers, improving working conditions, and pay and skills for low-paid care workers. That is what this Government need to be doing. I commend the work of the BWC. Unfortunately, it looks as though the Green party in Bristol will not be supporting the BWC in the future. I hope it changes its mind about that, because the BWC is doing some fantastic work.

The apprenticeship levy is a massive failure. Starts are falling backwards; the cohort is made up mainly of people in senior positions; and only 13% of degree-level apprentices come from neighbourhoods in the bottom fifth of deprivation, with twice as many coming from the most advantaged backgrounds. That is not good enough. As for the new traineeship—or “returnee-ship”—the shiny new thing we have seen today, the Department for Education has been a dreadful failure on apprenticeships and the idea that it can help people come back is not one we can believe.

Overall, there is nothing in the Budget for the west and the south-west. Again, we have been completely ignored by this Government. Transport is a crucial issue for us in Bristol South. We can support tackling the climate crisis and moving towards net zero only if we have a functioning transport system, and this Government simply do not care about that. Many of my constituents rely on buses; the elderly and young people going to education need a bus service. With the end of the bus recovery grant, my constituents would like to know what on earth the Government are going to do to support them.

It looks as though the only mention of the west country in the Red Book is in the section about Devon, which says we are going to get some money to deal with potholes. That is literally the only mention of the west and the south-west that I can find in this entire shiny

[Karin Smyth]

document—[*Interruption.*] The chuntering from those on the Government Benches is about their MPs. If that is the best that that wall of Tory MPs across the west country can come up with, I look forward to them disappearing. Much more could have happened on this, as we are a good, functioning economy. The Red Book has 116 pages, but there is nothing in it for Swindon, Bristol, Filton, Plymouth, Stroud, Truro or Falmouth. It is a complete waste of our time for the south-west, and the sooner the Tories go, the better.

6.38 pm

**Rachael Maskell** (York Central) (Lab/Co-op): It is a pleasure to follow my hon. Friend the Member for Bristol South (Karin Smyth) and her analysis of “nothing for Bristol South”. I feel that it is the same for York and York Central. The Government have had 13 years and the OBR is hardly complimentary, with productivity dragging, growth the lowest in the G7 and the pace of change far too slow. Of the last 13 wasted years, the past six months have been the hardest for families, businesses and communities; we now have 13.4 million people living in poverty. With sanctioning regimes now to become more brutal and ill people forced into work, we know who is paying the price for this Budget.

For those who got us through the last few years—the health workers, teachers, care staff and so many more—there is the longest pay squeeze for 200 years. Where is their pay rise? Household budgets are set to fall by 5.7%, and 5.1 million people will be hit by stealth taxes. It is the people who have worked their guts out over the last few years, while the top 1% have gained, who are paying for the chaos in Downing Street that has besieged our economy. Take Brexit, which is now costing the economy £100 billion in lost output every year as Britain is becoming increasingly isolated and irrelevant; take the 44-day Prime Minister, wiping £30 billion off the economy overnight. With our global reputation now in tatters, our influence to attract investment, jobs and the very best from across the globe has been stymied.

Thirteen years, and Britain is not booming; it is burning—burning with the injustices that we see each day in our constituencies. Our NHS is grinding to a halt without the staff to heal the sick. There are second homes and Airbnbs for the rich, while ordinary families are locked out of home ownership or even a place to rent. Yet there is nothing in today’s Budget to ignite a new generation of house building. If we on the Opposition Benches had not been fighting each and every day to highlight the prepayment scandal, where the very poorest were forced to pay the most for their energy, the injustice would have just continued. I am glad the Chancellor has at last taken heed, and I trust that compensation is also on its way. Swimming baths were closing their doors as the float never came in time, while the Prime Minister spent tens of thousands on his own; again we had to fight, and at last the lifeline has been thrown.

Let me turn to childcare. It is right to invest in our children, but ratios matter because quality matters. The cost of childcare in my community is stripping parents and children of any opportunity. The average monthly cost of childcare in York is £1,083.33, while the average wage is just £1,980: 54.71% of wages spent on a service that enables parents to access work. Today’s announcement

takes us forward but we need a workforce plan to ensure that those working in the sector—mainly women—receive a wage that reflects the value of their job. It is always the same with the Tories: too little, too late. It matters, and it matters to my community in York.

On hearing about Great British Nuclear, I think of the Great British Railways competition, which would accelerate investment in Britain’s rail supercluster and place York back on the global map for rail. The competition was launched over a year ago and the announcement is over nine months late and still to come. Of course, that has an impact on the 5,500 jobs in advanced and digital rail in our city, with nervousness that it may not come at all in favour of political expediency elsewhere. Had it landed in time, we would already be accelerating the economic, research and innovation opportunities, as well as getting our trains running.

BioYorkshire—Britain’s largest green new deal—is about transitioning to a sustainable future while creating 4,000 green collar jobs, upskilling 25,000 people, generating income through start-ups and spin-outs, cutting carbon and landfill, returning value back to the Treasury, and creating new insect and hemp technologies. Quite frankly, it is one of the most globally transformative projects around. It was first raised in this House two and a half years ago, but we are still waiting. We have been waiting years for this Government to make up their mind how to fund it. All the time, opportunity is wasted, and our planet is melting and burning.

Born out of XR Stories, our creative sector has made York a UNESCO creative city of media arts and is leading the sphere in generating digital creative jobs in digital film, games and creativity, but where is the funding opportunity? Brilliant artists, technicians and so many more are waiting for the chance to help Britain back to its feet, but there is not a penny in the Budget for York’s science and technology superpower. Of course, we also have York Central—a site that is begging for attention and a major opportunity for investment—but yet again the Government pass it by: too little, too late.

Those are three brilliant clusters that the Government should be fighting to invest in—three brilliant projects that will not just level up my city by creating the jobs that are desperately needed in post-industrial York, but will benefit the region and the country and advance tech, science and climate mitigation around the world.

In York we think big, we plan hard, we build strong relations and partnerships, we attract the very best brains and we determine the greatest opportunities, but we have a Government who do not back those opportunities for our young people. As we have shown in the past, when people put confidence in York, we go far in what we achieve. Instead, we have seen nothing today. The next generation is losing hope and losing the chance to do something special. The Treasury is losing income and ultimately my community is losing the chance to create the next generation of jobs in our city, which is desperately needed to close the ever-growing inequality.

While some will be breathing a sigh of relief as they scoop funding for investment zones, York has been left with nothing in this Budget to enable our well-planned investment opportunities to flourish. This decision fails the people of my city, who are fighting for a decent job, a decent home and a decent future. Today, it feels as if the Government have missed a chance once again, aimed below the bar, looked down instead of up and



reverted to type, dishing pots of money out here and there in desperation to win the next general election, not the next generation. But the next general election is coming, and the next generation is rising. It is their jobs, their hopes, their planet, their dreams and their future. They are clear that they have had enough. Let us have that general election and let us have a Labour Budget.

6.46 pm

**Lloyd Russell-Moyle** (Brighton, Kemptown) (Lab/Co-op): I would describe this as a bit of a Stockholm syndrome Budget. After the appalling set of Budgets we have had, 13 years of the failed austerity experiment started by the Tories and Liberal Democrats, and of course the latest mini-Budget, it is tempting to think that the captives would say thank you for some of the peanuts that have been thrown—peanuts such as childcare, but even then, the measures will not come in fully for two and a half years. Hopefully, by that time this shambles will be long gone.

In Brighton, we have one of the lowest payments for childcare from the Government scheme, but we have some of the highest costs because of an historical injustice in the way that the money is calculated. This Budget will not help those childcare workers. It will not save the places at the nurseries currently up for closure by the Green council, because it will not increase the money, wages and professionalism of the sector. What is clear is that, despite a few giveaways, this Budget will still see household incomes fall by 5.7%, one of the largest falls in our constituents' lifetimes.

Big business will of course receive huge incentives for investment, but they will not be focused on green investment. There will be no focus on co-operative businesses, as the Co-operative party has called for, and the Federation of Small Businesses says it cannot hide its disappointment and that this Budget was wide of the mark and irrelevant. A Budget that is irrelevant to small businesses is a dangerous Budget indeed. The Chancellor said he would save Labour the "bother" of reviewing business tax, but then made no mention of business rates—a regressive tax that punishes our high streets.

The help for draught beer will be welcome, but the problem in our pubs is not the tax on beer pulled from the pump; it is business rates, land values and planning laws that allow speculative breweries to sell pubs and chuck out landlords, because they get better amounts for other uses. The reality is that our leisure and night-time economies will be crippled by rising fuel bills, and, apart from the welcome leisure centre relief, they are being offered no protection whatever.

The failure to bring down energy bills will affect our constituents. That is a failure of Ofgem and of the horizontal privatisation that means it is illegal for British Gas to sell energy to its customers at the price at which it generates it. That is madness. It allows speculation and profits to win out, rather than hard-working ordinary people, for whom there is no benefit.

Of course, it is not just businesses that will suffer. As we know, the Government had to announce only last month a scheme for residential customers who are on business tariffs so that they get the £400 support. As the business tariffs will no longer be capped, all those people will have to pay an uncapped amount for their energy bills. Many of them are the poorest in our communities—they live in houses in multiple occupation and blocks of

flats. In fact, some of them pay on commercial prepayment meters, but because they pay their landlord rather than the energy supplier, the welcome support for prepayment meters that is provided directly through the energy supplier will not be extended to them. That is a tragic miss of this Budget.

Another problematic area is that of investments. There are no real investments in the green sector. Germany is proposing 5.2% of its GDP for green transformation; the UK is proposing just 1.2%. America has passed the Inflation Reduction Act, and France has pledged billions for green steel. We are not even scratching the surface. Okay, there are some nice warm words on—currently unproven—nuclear reactors, which I hope will be proven. *[Interruption.]* Nowhere have they been proven at commercial level.

**Mark Jenkinson** (Workington) (Con): Will the hon. Gentleman give way?

**Lloyd Russell-Moyle:** No, I will not.

Britain should invest in the reactors and roll them out, but as yet, we have not done so. *[Interruption.]* No. It is the same with carbon capture. Investment is welcome, but we are yet to see it at full-scale capacity. It was Labour that said that investment should have come in 2010, but the Conservatives stopped it. They are unproven because of a Conservative failure to invest. Coming late to the party is no good for anyone.

Of course, let us be clear: only a third—*[Interruption.]* Conservative Members can continue making a noise if they want, but it is a complete waste of their time. Only a third of the poorest households own a car, whereas 90% of the richest households do. A freeze on the fuel escalator is good news for them, but the fact that there is no subsequent freeze on bus, rail and other forms of public transport means that the rich benefit and the poor get messed over again—*[Interruption.]* There is no cap on rail, and if you do not realise that, you are not really a rail traveller, are you?

Of course, this was a Budget for the top taxpayers—and the pension pots that they will now be able to save—not for normal people. It could have been so different. The upper earnings limit of the national insurance rate is, in my view, a disgrace. It is a disgrace that people earning under £50,000 pay 12% towards national insurance, but those earning over £50,000 pay only 2% on earnings above that. Not only is that a flat rate of tax, which Conservatives usually advocate for, but it is actively regressive. It harms the poorest and helps the richest.

If that one change had been made, £30 billion would have been raised according to the most conservative estimates. What could that £30 billion have paid for? I can tell the House one thing it could have paid for: social care, another area that was totally missed in this Budget. That £30 billion could have paid for all the social care costs that councils up and down this country are currently having to pay, which would have freed up our councils to invest in their communities, as they should in Brighton. It would have equated to £100 million every year in the pocket of Brighton council that could have been invested in our streets and roads. We would not need a pothole giveaway—we would have had our own money to spend—but instead, the Conservatives' failure to sort social care means that that money is being drained.

[Lloyd Russell-Moyle]

Was there any real mention of education going forward? Yes, there were some nice giveaways for higher levels of education through the lifetime guarantee—a policy that has already been announced, might I add, not something new. However, there is no additional funding for proper further education, basic skills, maths, functional skills, GCSEs and A-levels—those things that people at the very bottom need. Yes, it is good that people who achieve higher learning will be able to draw that down, but we need learning for all people. Of course, the biggest thing in the education sector that comes into my inbox and my letterbox is special educational needs. Was there any mention in this Budget of more money going into the awful system that we have at the moment for special educational needs? Not a jot. Those children will go without the care and support that they currently have, which is a disgrace, because every day that they go without the education they need is a day of their potential being squandered.

We have also seen no movement on capital gains or unearned income. Now we have a situation where landlords using shell companies pay little or no tax compared with hard-working ordinary people. It is morally wrong that people who survive on unearned income pay less tax than those who have earned it, because this Budget comes from a Government for people who do not work hard, but who speculate, extract, and use Ponzi schemes to get money out of the market. Rather than build our country up, they take out. This is a Budget of lost opportunities—a Budget that could have changed our country. The Government have to use the term “technical recession” because everyone knows we have a household cost of living recession and a household income recession. Yes, it is a technical avoidance of recession, but the day-to-day lives of people in this country are worse.

Of course, Labour would have done better. We would have supported businesses and the economy, we would have tackled climate change, and we would have made the lives of people in our communities better. It feels that after the last Budget, things could only have got better, but rather than having some poor tribute act that is getting all the notes wrong, we need things to get better with a Labour Government. Move over and let the greats do it again. We did it in 1997, and we will do it again now.

*Ordered,* That the debate be now adjourned.—(Scott Mann.)

*Debate to be resumed tomorrow.*

**Alex Davies-Jones** (Pontypridd) (Lab): On a point of order, Mr Deputy Speaker. This morning, during Science, Innovation and Technology questions, the Secretary of State responded to a question from my hon. Friend the Member for Manchester Central (Lucy Powell) about the use of TikTok on Government officials’ devices. In her question, my hon. Friend stated that three weeks ago the Secretary of State said that having TikTok installed on a Government device was a personal choice. In response, the Secretary of State said that

“what I actually said was that, in terms of the general public, it is absolutely a personal choice”.

I have since checked, and in her interview with Politico, the Secretary of State stated in response to a question specifically about Government officials using TikTok

that the use of the app is a “personal choice” thing. I fear that the Secretary of State may have inadvertently misled the House. As we know, the *Official Report* belongs to Parliament, and it is vital that our record is true and accurate. Therefore, Mr Deputy Speaker, I am hoping that you will be able to advise on the next steps so that we can seek clarity on this issue, which ultimately concerns all our national security.

**Mr Deputy Speaker (Mr Nigel Evans):** I thank the hon. Lady for giving notice of her point of order. Ministers are encouraged to correct any inadvertently incorrect statements made to the House as quickly as possible. Those on the Treasury Bench will have heard her point of order, and I am sure the Secretary of State will correct any mistakes, if any have occurred.

**Sammy Wilson** (East Antrim) (DUP): On a point of order, Mr Deputy Speaker. I understand that next Wednesday the Government are to bring forward a statutory instrument to the House in relation to the Stormont brake. Can I ask you to investigate the legislative basis on which such an instrument can be brought forward?

**Mr Deputy Speaker (Mr Nigel Evans):** I thank the right hon. Member for his point of order and for notice of it. While it is not within the power of the Chair to do that in relation to the tabling of legislation in this House, there will be an opportunity tomorrow in business questions for him to ask the Leader of the House directly what the future business will be and under what auspices that statutory instrument would or could be brought forward. If he is unable to do that tomorrow, he could go to the Journal Office and seek further advice.

## PETITION

### Driver and Vehicle Licensing Agency and road tax

7.1 pm

**Martyn Day** (Linlithgow and East Falkirk) (SNP): I rise to present a petition relating to the Driver and Vehicle Licensing Agency and road tax. It was collected on behalf of my constituent, Karen Wood from Bo’ness. At its very heart is fairness and equality, as drivers in receipt of standard rate personal independence payments are unique in that they have to apply by post, unlike any other driver.

The petition states:

The petition of residents of the constituency of Linlithgow and East Falkirk,

Declares that the petitioners believe that the Driver and Vehicle Licensing Agency (DVLA) is there to equally service non-disabled and disabled drivers; further that most members of the public will be unaware that drivers who qualify for a 50% discount on their road tax due to being in receipt of standard rate PIP must make an application via post; and further that the petitioners feel that all drivers should equally be able to apply for road tax via post, online or at the Post Office.

The petitioners therefore request that the House of Commons urge the Government to instruct the DVLA to permit all drivers to apply for road tax by whichever method is most convenient for them.

And the petitioners remain, etc.

[P002812]

## Installation of Telecommunications Infrastructure

*Motion made, and Question proposed, That this House do now adjourn.—(Scott Mann.)*

7.2 pm

**Dame Diana Johnson** (Kingston upon Hull North) (Lab): I am grateful to Mr Speaker for allowing this debate this evening on telecommunications infrastructure. I know it has been a busy day with the Budget, but my constituents in Hull and residents across the country are incredibly frustrated about this important issue. Today I want to address the crux of the problem, which is that there is no legal requirement for consultation and scant procedures for the putting up of telecommunication poles and digging up of pavements to install fibre optic cables in our communities.

Members across the House would undoubtedly be frustrated and concerned if they looked outside their window one morning to discover a telegraph pole erected at the end of their garden, outside their front gate or very close to their home without knowing anything about it. They would also be incredibly annoyed to discover there was absolutely nothing they could do about it, because the current legislation makes this situation completely permissible.

**Sir Greg Knight** (East Yorkshire) (Con): Is the right hon. Lady aware that this issue affects not only the city of Hull, but the wider East Riding of Yorkshire? New infrastructure is to be welcomed, but does she agree that sensible and sensitive installation is essential?

**Dame Diana Johnson**: I absolutely agree with the right hon. Gentleman. The reason that there is not that consultation at the moment is that the law was amended by the coalition Government in 2013, so that telegraph poles being erected by communications network operators for the expansion of fibre-to-the-premises broadband do not need planning permission under the Electronic Communications Code (Conditions and Restrictions) Regulations 2003 and the Town and Country Planning (General Permitted Development) (England) Order 2015. Under the 2003 regulations, broadband street cabinets, new telegraph poles and overhead lines can be installed in any location without the need for prior approval from local planning authorities or consultation with residents.

**Sara Britcliffe** (Hyndburn) (Con): I thank the right hon. Lady for bringing this matter to the House as it is a huge problem across Hyndburn and Haslingden. Does she agree that it is very frustrating when constituents see Openreach, for example, digging up the roads when these telegraph poles are being installed. The question is why the wires cannot go underground, rather than wires on telegraph poles spanning across their properties.

**Dame Diana Johnson**: Absolutely, and I am grateful to the hon. Lady for that intervention. It raises an important question: why can we not get this co-ordinated?

**Jim Shannon** (Strangford) (DUP): I congratulate the right hon. Lady on bringing this debate forward; she brings many important issues to the House, and this is

another one. In Northern Ireland we have a clear planning process that involves the councils—in my case, Ards and North Down Borough Council—and the planning department will look at these things. There is also a role for the telecommunications firms. If they put telegraph poles outside anybody's house, that person has a right to object, if they block their view or car access; it may even block their sightlines. We have community and council involvement, therefore. Does she agree that, to address these issues to the satisfaction of our constituents, about whom she is very concerned, we need either a change in legislation or clarification from the Minister?

**Dame Diana Johnson**: I absolutely agree.

The changes brought in in 2013 were introduced for only five years, but they have now been extended indefinitely, allowing the situation we are all talking about today. I want to concentrate on what this means for my constituents.

Currently, residents in Hull are finding telegraph poles being erected around their properties, and sometimes on their properties, without any consultation process that allows them to raise their concerns. These poles are cheap, cumbersome and impact on the value and aesthetic worth of people's properties. Poles are often built in close proximity to people's driveways, in their gardens and outside their windows, often with wires dangling down from house to house in each direction.

One of my constituents has muscular dystrophy and in a few years they may, sadly, need to use a wheelchair. Returning from work one day, she discovered a telegraph pole had been erected outside her front gate, so close that if she ever does need to use a wheelchair to leave her house she will find it very difficult. Another constituent with a disability has had a pole erected in the middle of his driveway, making access to his property more difficult when getting his medication dropped off. An elderly constituent who has lived in their house for 51 years has contacted me, distressed, explaining that they do not want a neighbourhood overrun with telegraph poles. These people do not want to stand in the way of progress or stop people finding broadband that works for them; they just want a say in the place they call home.

It is not just residents who are affected, of course. A business in my community has had a telegraph pole placed on the corner of its commercial property, stopping articulated lorries gaining access to its warehouse, restricting its operations. Understandably, it complained and tried to have the pole moved. However, it was told by the company concerned, Connexin, that it was meeting all its legal requirements and nothing could be done. This is a 20,000 square foot business with a very large loading bay; it is not beyond the wit of man to facilitate an open discussion that would find an adequate position for these telegraph poles, but the company has no legislative obligation to consult so it is not doing so. Instead, it has fallen to my constituent to now have deliveries from around the world brought in on smaller vehicles at an extra cost. The business has been there for 11 years, and Connexin can force the business to change its operations without any consideration completely legally. That is unacceptable.

With no consultation with residents or the local planning authority, there is no consideration of the impact these poles can have on the daily lives of homeowners and the community.



**Ronnie Cowan** (Inverclyde) (SNP): I fully understand what the right hon. Lady is saying, and I think we all have experience of this. In Scotland, the situation is slightly different in that there is a regulation 5, which we would think would give local councils the opportunity to say, “No, you cannot do this.” Regulation 5 can apply to conservation areas, grade 1 or category A listed buildings and ancient monuments, but at the end of the day the council makes recommendations to Openreach which it does not need to comply with. Everybody wants ultra-fast, superfast broadband, but they are not consulted and no information is given to them, and they come home at night to find somebody has put a telegraph pole outside their house.

**Dame Diana Johnson:** Absolutely. Obviously, this is happening not just in my constituency, but up and down the land.

There is no requirement for companies to consider alternatives to poles, such as under-street cabling, which the hon. Member for Hyndburn (Sara Britcliffe) referred to, so there is no reason for them to engage with the additional cost or effort. They can simply do as they wish.

**Sara Britcliffe:** I thank the right hon. Lady for giving way again. A key point is that not all the altnet networks are bad—there are a few that are making it very difficult for residents. Our problem is that, when those few span our constituencies, there is no regulation for us to fall back on when we contact Ministers and this can just happen. The planning authorities want to do something when they see that the positions are inadequate, but there is no regulation for us to do anything about it.

**Dame Diana Johnson:** I absolutely agree with the hon. Lady. I will come on to what I think should happen in terms of regulation.

I will talk about telecommunications in Hull, because we are unique and different from the rest of the UK. The Minister may be aware that, historically, we have had only one provider of telephone services and broadband. Since 2007, that company has been known as KCOM, previously Kingston Communications, with the white telephone boxes that we are famous for. For many years, my constituents contacted me because they were concerned that having a monopoly in the city made broadband more expensive compared with having a range of providers. We know how important choice and competition are, even when they are balanced against loyalty to a local company with a long history and lots of local jobs.

Understandably, people in Hull want to welcome new broadband companies. The Government know that, which is why Openreach and BT infrastructure in the rest of the UK has been extended to other service providers in recent years. According to new broadband providers in Hull, however, KCOM has put up barriers that prevent the sharing of the existing network infrastructure with other companies. I recently met Ofcom, which told me that it could not examine the situation with KCOM or even assess whether it was correct unless a formal complaint was received. If access to KCOM’s infrastructure is still a problem for new companies, and Ofcom has next-to-no power to proactively investigate that, we need to look at the regulator’s powers.

At the moment, it appears that there may be problems in getting access to KCOM’s communication network, so individual companies are choosing to put up their

own telegraph poles. That means that these outdated infrastructure eyesores seem to be popping up on every street corner, which is upsetting residents who have no power to object or even advise and compromise on their placement. That is happening across Hull, from Kingswood to Endike Lane and Inglemire Lane, which leads to the constituency of the right hon. Member for Haltemprice and Howden (Mr Davis). He represents Cottingham and has said that he also supports local people being consulted.

In Hull North alone, I have heard from multiple constituents on the Queensway, Tollymore Park, Frensham Close, Bradgate Park, Highgrove Way, Sleightholme Close, Gatwick Garth, Digby Garth, Honley Wood Close, Downhill Drive, Heatherwood Court, Callow Hill Drive, Waterdale, Marydene Drive, Catherine McAuley Close, Ella Street and the Avenues. All have had their lives disrupted and disturbed by what is happening. The lack of power and influence over what happens to their own properties and neighbourhoods is unacceptable.

A mother in my constituency has been told—not asked—that a pole will be erected at the end of her driveway. She describes jumping every time the doorbell detects movement and wondering if people have come to “ruin our driveway and absolutely terrify my young children”,

who say to her,

“this is our home, not theirs”.

Another constituent says:

“For many years we have wanted the choice of internet provider, but never thought that would be at the expense of telegraph poles littering our neighbourhoods with no sensitivity to placement or consultation with residents”,

but they can do absolutely nothing about it. Even residents who have no intention of using the service that will be introduced by the new infrastructure can do nothing about it.

In Birnam Court in my constituency, every single resident has written to oppose the installation of the telegraph poles and cables, but still they are powerless to stop it. As one Hull resident put it:

“Installers are riding roughshod over residents’ wishes and there is no way to protest.”

So people inevitably complain, but they are told by the company that it has not broken its legal obligations, and that is the end of it. So they complain to Ofcom, and they are told that there is nothing Ofcom can do.

Connexin, the company erecting the telegraph poles that are aggravating most of my constituents, set up in the area a few years ago, stating:

“The people of Hull and the East Riding deserve better from their broadband supplier and every aspect of our new network has been designed with customer experience in mind.”

Parliamentary language is very important, so I will just politely say that that is utter tosh. Connexin is notoriously difficult to get a response from, despite me sending it numerous constituents’ complaints, and it has failed to deal with any of them properly. I finally heard from its offices yesterday, ahead of this debate, to offer to meet me to try and resolve the problem—it is very funny what raising an issue in the House of Commons can do to focus the minds of local companies. This avoidance strategy is completely unacceptable, and I urge anyone who has been affected by the erection of Connexin’s

poles to write directly to its chief executive officer, Furqan Alamgir, with their complaints. His email is [fa@connexin.co.uk](mailto:fa@connexin.co.uk).

Under the Government's own legislation, the only legal requirement on these network operators is that they notify the local planning authority at least 28 days in advance, and then put up a sign to say that the telegraph pole is coming. That is it. The code of practice accompanying this free-for-all states that operators should initially offer to discuss the application of their proposed network deployment programme with relevant planning authorities, but the local planning authority has no power to stop their plans anyway. Customers and residents are not even considered worth mentioning in the code of practice.

**Jim Shannon:** Will the right hon. Lady give way?

**Dame Diana Johnson:** I am very conscious of the time, and I have got a few more things to say.

I should raise at this point that it is, again, quite opaque whether network operators are actually engaging properly with local authorities about their plans, as the code of practice meekly suggests. If Hull City Council has concerns or believes that the code of practice is not being followed, it can, I understand, complain directly to Ofcom, and then and only then will Ofcom investigate. There is not much teeth to the Government's guidelines or the code of practice anyway, so it is unlikely that anything would change.

My ask of the Government is simple: repeal the 2013 amendment and make it a statutory requirement for communications network operators to apply for permission to the local planning authority on any proposed installation of telegraph poles, with a requirement for consultation with affected residents before any permissions are issued.

Last week I presented my planning permission for telecommunications telegraph pole installation petition to this House, which had a specific request for the Government to make it a statutory requirement, as I have just set out. I would also like to draw the Minister's attention to my private Member's Bill, which would also reform the law.

All the residents who contact me recognise that a modern telecoms infrastructure is needed for mobiles and fast broadband, especially if they want a choice of service providers. They are not being unreasonable or obstructive; all they are asking for is due consideration and common-sense solutions to the placing of new infrastructure.

I just want to put on record my thanks to the local Labour councillors who have been working with me, as they, too, have been inundated with complaints: Councillor Gary Wareing, Councillor Rosie Nicola, Councillor Steve Wilson, Councillor Abby Singh and Councillor Marjorie Brabazon. Although they are local councillors in Hull North, the issue, as the Minister will have heard tonight, goes right across the country. It has been raised from Hull to Bolton to Lincoln to Ipswich and beyond, and to Northern Ireland and to Scotland. My own petition has had hundreds of signatures, and I know that many other Members have similar petitions active at the moment too.

What these telecom firms often lack is local knowledge and some common sense. Local people, through a requirement for consultation, can provide that common

sense for these companies free of charge. In the end, it will never be good business sense for these companies to annoy and aggravate local people and businesses that we assume they would welcome as potential customers. But this place clearly has a role in rectifying the mistakes of 2013 and in setting out some ground rules that require these companies to behave as they should, not just as they are allowed to get away with at the moment, and I hope the Minister will agree.

7.19 pm

**The Minister for Data and Digital Infrastructure (Julia Lopez):** I thank the right hon. Member for Kingston upon Hull North (Dame Diana Johnson) for securing this important debate, and for raising her residents' concerns so articulately and with such passion. I understand her concerns about the installation of digital infrastructure in her constituency.

As the right hon. Lady will be aware, the Government have big digital ambitions for the people we represent, because we think great connectivity is absolutely fundamental to people's life chances and we do not want to oversee a digital divide. However, we are also extremely mindful that communities have concerns about new infrastructure. We want to ensure that those concerns are heard and considered, and that we get the balance right. I entirely appreciate the sentiment behind the proposals in her private Member's Bill and in her petition, but I am not entirely convinced that they are the right way forward. We are trying to reduce some of the bureaucracy and difficulties that have hampered roll-out and given us difficulties in the quality of our digital infrastructure up until now.

As I mentioned, reliable fast digital connectivity is vital for the prosperity of this country, local businesses and families. We want to ensure that consumers and businesses throughout the UK can get the services they need. I accept that the right hon. Lady acknowledged that pressing need and said that her constituents do as well. We believe that great digital infrastructure will enable our constituents to access healthcare, stay in touch with friends and relatives, and educate their children. It will help our businesses to innovate and stay globally competitive.

I will set out the progress made due to the reforms cited by the right hon. Lady. In 2018, only 6% of UK premises had access to gigabit-capable broadband. I am very proud to say that that figure has now increased to 74%, demonstrating how our actions have significantly improved broadband coverage. Poor broadband coverage during the pandemic would have meant considerably more disruption and difficulty for our economy, and for how our society had to run during that extremely difficult period. I am therefore very proud of that achievement and thank everybody who contributed to it. However, as the House knows, our ambition is for that figure to be above 85% by 2025, with gigabit broadband available nationwide by 2030. I should also say that I am inundated with requests from Members across the UK for the roll-out to go faster and further, filling in not spots and so on.

If that ambitious target is to be achieved, infrastructure deployment needs to continue at pace. We know it is crucial that the legislative framework supports the companies who are working hard to help achieve that target. At the same time, I certainly understand the concerns

[Julia Lopez]

of communities when new poles are installed. The legislation rightly recognises the impact of network deployment on communities and the environment. Most telecoms infrastructure, including poles and new masts, benefits from permitted development rights, as the right hon. Lady acknowledged. They allow certain types of development to go ahead without the need for a specific planning application. However, that is subject to some specific exclusions. Permitted development rights are also applicable to other forms of infrastructure development, such as transport and utilities. At a time when connectivity plays an increasingly vital role in our lives, it would be wrong for the planning regime for telecoms to be stricter than it is for other infrastructure. That will only create barriers to deployment.

**Ronnie Cowan:** In my constituency, when operators put up a new pole they put a wee plaque on it that says, "If you have an objection, phone this number." They clearly know they are upsetting local communities in the first place. Would it not be better for them to engage with the local community before erecting the poles?

**Julia Lopez:** The hon. Gentleman makes a good point. There are ways operators can do that. Some operators are much more mindful of that and the need for community consent. Others are not acting according to some of the codes of practice installed to try to help deal with the kinds of issues he raises.

**Sara Britcliffe:** The Minister has come to the crux of the argument. Some providers are doing that, but others are not and that is a problem. There is nothing to say that providers have to engage with a local community before they do it. Yes, there are some very good providers who will do it, but I have experienced others that do not.

**Julia Lopez:** My hon. Friend makes a good point.

**Jim Shannon:** In Northern Ireland we welcome the broadband roll-out, which is going exceptionally well due to financial support from the Government. To be helpful and constructive, one of the things that we have done back home, which may help the hon. Lady and others to find a way forward, is that in almost every case the construction firms that are putting in the broadband have put the telecommunications underground, thereby doing away with the visual impact. That is a solution that works across my constituency, where broadband roll-out is quite significant.

**Julia Lopez:** The hon. Gentleman is right to acknowledge just how much progress has been made in Northern Ireland, where there is some of the best connectivity in the United Kingdom. I am proud that we have been able to make that investment, which is making a massive difference to his constituents. I will come to some of the points raised in interventions, which I hope will help hon. Members.

The electronic communications code provides the framework for operators to install infrastructure. Together with accompanying regulations, it sets out the conditions of how infrastructure must be installed in practice. The regulations require operators to share apparatus if possible

and to install only the apparatus that they need. Although some of the issues are not entirely unique to Kingston upon Hull, they are particularly problematic there because of the monopolistic position of KCOM that the right hon. Lady raised. There is also a requirement to install lines underground, as has been raised, unless certain conditions apply.

The regulations set out how operators should engage with local planning authorities. They must notify them at least 28 days before installing a pole, to give them time to consider imposing any additional conditions to the proposed installation. They should engage with communities and other interested parties to engage with communities and other interested parties at that stage.

The final legal provision I would like to highlight is that the electronic communication code sets out who can object to and seek the removal of apparatus, and the circumstances in which they can do that. As well as the legal provisions, I draw the right hon. Lady's attention to the cabinet siting and pole siting code of practice, which was agreed following the changes to legislation that gave greater permitted development rights and best practice for those installations. It encourages operators to site apparatus responsibly and engage proactively with local authorities and communities. I encourage all operators to adhere to that code of practice.

We have big digital ambitions, but we are making sure that we also support local communities along the way. Last year we made it easier for fixed line operators to share the use of existing poles—again, I think that there are some specific issues with KCOM—and underground ducts via provisions in the Product Security and Telecommunications Infrastructure Act 2022. That should help to reduce the need for new infrastructure, including poles, in future. We will carefully monitor the impact of the Act's provisions as they start to have a real-world effect, as it gained Royal Assent only in December 2022 so it is still fairly early days.

My officials talk to Ofcom regularly about the electronic communications code and other telecoms issues. We are looking closely at how to ensure that all operators are aware of and adhering to their responsibilities under the code. We are also looking at whether steps are needed to educate local authorities on their role in the process, including the ability to escalate issues to Ofcom when needed. I note what the right hon. Lady said about her meeting with Ofcom. I will look into some of the issues that she raised about its stated ability to get further involved.

In addition to that engagement with Ofcom, officials in my Department have held meetings with representatives from KCOM and Connexin, to discuss some of the concerns raised with us about deployment in Hull. In addition, they have met with the local council to understand the issue from its perspective. We cannot interfere with individual commercial arrangements, but I have highlighted the obligations of all operators when deploying poles. Ofcom also regularly reviews the market, and last conducted a review into the Hull telecoms market in October 2021. I am grateful to the right hon. Lady for highlighting her concerns. I will ensure that they are relayed to Ofcom. I am pleased to have this chance to update her on the measures already in place, but there may be more that should be done in this area.



Let me turn to the right hon. Lady's specific proposal to introduce a further layer of bureaucracy into the planning process. We are concerned that that would delay the roll-out of much better infrastructure and could deprive communities and businesses of the connectivity that they need. It will also increase deployment costs, which makes it not cost-effective for operators to deploy in some areas. As I mentioned, that risks creating a digital divide, which we are keen to avoid.

**Dame Diana Johnson:** I am not sure about the suggestion that either we get this rolled out, or we don't because people have to be consulted. There could be a short period of consultation and engagement with local communities, but that would not mean that there would not be a roll-out of broadband, which we all want to see. This is not an either-or situation; we can both consult and see broadband rolled out.

**Julia Lopez:** I am not sure that is the case. We have consulted very closely, trying to make deployment easier, faster and more straightforward. I have concerns that adding an additional layer to the process would slow

deployment. We have given the issue much consideration, particularly during the passage of the Product Security and Telecommunications Infrastructure Act 2022. I hope that legislation will encourage much more sharing of the infrastructure, so we do not have to see more Bills. Sharing infrastructure is a particular issue in Hull and I am happy to look into that in greater detail.

We believe that the current framework makes adequate provision for planning considerations, while allowing prospective deployment to happen at pace, promoting competition, increasing consumer choice and, crucially, helping to keep prices low.

I thank the right hon. Lady for bringing forward the debate and raising awareness of digital connectivity. I can assure her and the House that it is a Government priority, but I will also take away some of the legitimate concerns raised about specific operators during the debate. I will take up that conversation with Ofcom and see whether further work is needed in that regard.

*Question put and agreed to.*

7.30 pm

*House adjourned.*



# Westminster Hall

*Wednesday 15 March 2023*

[DEREK TWIGG *in the Chair*]

## **Access to Sport: People with Colour Blindness**

9.30 am

**Liz Twist** (Blaydon) (Lab): I beg to move,

That this House has considered access to sport for people with colour blindness.

It is a pleasure to serve under you as Chair, Mr Twigg. Today I am here to speak about one of the world's most common inherited conditions. This condition affects 3 million people in the UK. In fact, it is so common that it is estimated that, in the House of Commons, 34 male MPs will have the condition, while 32 female MPs will be carriers. The condition is colour blindness, also known as colour vision deficiency. In the UK, it affects one in 12 boys and men and one in 200 girls and women.

What is colour blindness? It is a common misconception that people with colour blindness just confuse reds and greens. In truth, colour blindness comes in many different types and severities. Although red-green colour blindness is the most common form of the condition, it changes the way people affected view all sorts of colour combinations. Humans see colour through three types of specialised cone cells in the eyes. The cones absorb red, blue and green light. With inherited CVD, one cone type does not function normally; in 25% of cases, it does not function at all. Red-green colour blindness is the colloquial term for a defect in the red or green cones. It is an incurable condition, which neither improves nor deteriorates throughout life.

Last June, I held a drop-in event here in Parliament with the charity Colour Blind Awareness to give MPs the chance to discover what it is like to be colour blind. MPs had the opportunity to try on glasses that simulated the effects of the condition—with some rather entertaining results. They tested themselves by trying to sort a line of socks by colour while wearing the glasses. That was one event where our party political colours became a bit mixed-up! It was all to show the impact of colour blindness on those who have it. As well as the fun, we had academic researchers there to explain their work.

Jokes aside, this is a condition that, in the most severe instances, can have an adverse impact on the daily lives of those affected. Thanks to technology, we live in an increasingly colourful world. In classrooms, interactive smartboards have replaced old-fashioned blackboards. We use tablets and smartphones to entertain us and even to educate younger children. These things often use vibrant colours, and even the Government relied on that vibrant colour palette throughout the covid pandemic, giving public health information that relied on the use of bright graphics and colour indicators.

In an example even closer to home, the BBC's 2015 general election coverage saw complaints upheld against it because of its inaccessibility to people with colour blindness. The issue was colour pairings: the Conservatives'

blue against the UK Independence party's purple; Labour's red against the Liberal Democrats' orange; and the Lib Dems' orange against the SNP's yellow. As they were broadcast, those colour pairings were a nightmare for people with CVD. Lack of accessibility in a range of arenas excludes people with colour blindness from vital aspects of public life and can even hamper their future prospects. That is the sad truth, as people affected by CVD are often an afterthought when it comes to things like that. But it is so much more than that: people who are colour blind are being let down by the Equality Act 2010.

That brings us to the central topic of the debate, which is access to sport for people with colour blindness. The issue was first brought to my attention by a young person in my constituency. Marcus Wells has red-green colour blindness, and from a young age he has done great work to raise awareness of his experiences of grassroots football. At just 10 years old, in 2018, he told a film crew about how simple things such as the colours of balls and cones used in training affected his ability to take part. He said:

"I was really confused at times, why they'd put those cones out, because I thought everyone was seeing like me. Why wouldn't they put different coloured cones down? It made me feel really upset and frustrated."

Marcus's coaches noticed that his enthusiasm and confidence would waver in some of his training sessions, despite his passion and love for the sport. It was only after his diagnosis that they realised this was due to changes in the colour of the kit and equipment being used. Thankfully, the local team were then able to work with Marcus and his family to make sure that they were meeting his needs, but many children with CVD are going undiagnosed, as screening is not currently required in schools or even at optician's appointments, and that is leading to many promising young athletes getting lost in the system.

Eight per cent. of boys have colour blindness, but research done by Oxford Brookes University suggests that only 6% of men playing elite-level football have the condition. That translates to 25% of colour-blind players like Marcus dropping out due to a lack of accessibility in sport. I am pleased to say that the Football Association and UEFA have introduced colour blindness guidelines for football, while similar guidance has been published by World Rugby, but to date, there is no official published guidance for cricket, hockey or other sports, and even in football and rugby, most clubs and coaches remain unaware of the implications.

We know that encouraging children to take part in sport is a vital aspect of ensuring that they get a healthy start in life. Participating in a team sport is not only good for children's physical health; it also supports their mental wellbeing and facilitates social inclusion. That is why it is vital that we work to make sure grassroots sport is as accessible as possible, including for people with colour blindness.

It is not only at grassroots level that we see barriers to inclusion. Professional sport is incredibly varied when it comes to its support of people affected by colour blindness, whether that is support for professional athletes or support for fans. Kit clashes are a particularly difficult issue for athletes and fans alike. As a north-east MP—albeit one who does not do football—I know only too well the pride and support that fans have for their respective



[Liz Twist]

clubs, with two great football teams in Newcastle and Sunderland battling several times over the years in the famous Tyne and Wear derby. Despite this being a momentous day for so many fans, it has often been a source of frustration for those who cannot join in on the occasion.

This is just as much of an issue on the pitch as it is in the stands. Former Newcastle United player James Perch has colour blindness, and he told the BBC:

“It was because of the stripes—black and white against red and white. I struggled to tell the difference. That game was definitely the toughest.”

He is not alone in finding kit clashes difficult. Nick Bignall, who previously played for Reading, has described how he would end up running into his own teammates or even tackling them. In football, like many sports, marginal gains are important. If we fail to accommodate players with colour blindness, it can hamper their performance and their chances of selection.

We also need to consider the impact on those who are not playing. Professional sport at every level relies on a team of officials to ensure that sport is fair and competitive. Referees are often the unsung heroes of sport, being largely a background figure until the odd moment of controversy brings them to the centre. Referees who suffer from CVD will often find it much more difficult to get the big calls right if we do nothing to support them. If it is difficult to tell the difference between the teams or the players, or even at times spot the ball, they will be hindered in being able to correctly officiate. David Pearson, a former rugby referee, described his experiences of officiating by saying:

“Try calling in an offside line, you’re an assistant referee, you get a line break, where’s the offside line? You just don’t call it. And of course, you get the whole crowd on your back going ‘he’s offside!’”

Meanwhile, for fans, the reality is that kit clashes are a constant issue. Ten premier league games in 2021 were played in kits that were difficult to distinguish for people affected by CVD. Clashes also affect one of the most anticipated games in the rugby union calendar: Wales versus Ireland in the Six Nations. In 2023, the Welsh Rugby Union took the decision to continue to play in red at home, despite knowing that this would prevent tens of thousands of colour-blind fans from enjoying the game.

Times are difficult for many people, and it is a testament to the love that many fans have for their chosen team that they continue to spend their wages on match tickets and pay per views. Those fans should not be let down by pictures that they are unable to watch. As one fan said on Twitter:

“I’d paid a fiver to watch the official stream and I may as well have thrown it out the window.”

Another said:

“I hang my head in despair when I can’t differentiate between the teams, and that can include the referee as well. This happens too often and it spoils my day—nobody seems to care.”

On top of that, there is the important issue of fan safety in stadiums—something we are all very much aware of. We need to ensure that fans with colour blindness are safe in stadiums, but emergency signage and equipment, including emergency evacuation plans, often use colours that prevent colour-blind people from

being able to read them, or even make sure that they can identify a steward if needs be. In the UK, only two stadiums have been fully audited for colour blindness accessibility. That must change if we want to make sport a safe environment for all spectators.

I know that the Premier League and the FA have done a lot of work with the charity Colour Blind Awareness better to understand the issues, and I thank them for the briefings they sent me ahead of the debate. The Premier League now has software to identify kit clashes while the English Football League has changed its rules to allow clubs to switch home kits for away if that makes games easier to watch.

I am also aware of great staff, such as FA coach co-ordinator Ryan Davies, who are doing all they can to make the sport inclusive. Ryan suffers from colour blindness, and he attended our drop-in last year. However, the guidance being issued is unfortunately not always followed by clubs, and in many of our other sports it is non-existent, so what do we need?

First, we need cross-departmental working. The Minister needs to have conversations with the education and health teams, and to encourage routine screening of children for colour vision deficiency. Screening is quick and easy, and inexpensive to carry out—and it would help so many young players to identify the problems they are having and ask for accommodations. Outside sport, it would help to tackle the struggles that children with CVD often encounter in classroom settings and ensure they got access to the learning they deserve. It is important to remember that one pupil in every 30 in a co-ed classroom is likely to be colour blind. Teachers must be aware of the issues those children face and should receive training in how to accommodate them.

Secondly, I ask the Minister to have conversations with broadcasters and sports governing bodies to place guidelines for fixtures on a firmer footing. For example, broadcaster contracts could contain clauses allowing the control of content from competition organisers to avoid kit clashes. Broadcasters should also be aware of using TV graphics that might exclude colour-blind people.

Thirdly, we need to ensure that fans with colour blindness are safe in stadiums. I emphasise that emergency signage and equipment, including emergency evacuation plans, often use colours that prevent colour-blind people from being able to read them. I ask the Minister to consider what steps he can take to ensure that the safety issue is addressed by sports authorities. I suspect that he will likely put the responsibility back on the sports governing bodies, but the truth is that the current frameworks are still letting down fans, players and referees. Whether it is the colour of balls, pitch lines, kits or even allergen advice on stadium menus, let us make sure that sport is accessible to the millions of colour-blind people in the UK.

Finally, I ask the Minister to meet with me to discuss in more detail the issues faced by colour-blind people in sport and how we can address them. Most of all, let us make sure that sport, which is starting to address the real difficulties, and the Department for Digital, Culture, Media and Sport work with other Departments to tackle the problems faced in education, health and all aspects of life by those with colour blindness.

9.44 am

**Jim Shannon** (Strangford) (DUP): It is a real pleasure to speak in this debate, and I thank the hon. Member for Blaydon (Liz Twist) for leading it. She always raises subjects that are perhaps not very topical but are none the less important, as this one is. She outlined the difficulties that those with colour blindness suffer in their everyday lives. I am glad to say that I am not one of them—she is probably not either—but that does not take away from the issue. In this place, we are tasked with highlighting issues on behalf of those who need assistance.

It is always a pleasure to see the Minister in his place. He responds well and understands the issues, and I am sure he will contribute to the debate positively. It is also a pleasure to see the shadow Minister. This is the second day in a row on which I have been called first in Westminster Hall. It seems to be no accolade other than that I am the only other Back Bencher, but that does not take away from the importance of this debate.

The information that the hon. Lady and the charity Colour Blind Awareness sent to us contained a picture comparing normal colour vision with how colour-blind individuals see things. It gives us a wee flavour of what it means to be colour blind. It was extremely useful to see the impact that colour blindness has on sport. The Royal Society for the Protection of the Blind once offered to take me out with a guide dog, so I went to Holywood in my neighbouring constituency, where it is based. The guide dog did not know me, and I did not know it. When I had the blindfold on, I could see absolutely nothing, and that guide dog was my whole contact with what was happening on the footpath. That gave me a real experience of what it is to be blind, and the information that the hon. Lady sent us did the same for colour blindness, so I thank her for that.

It is important that we listen to people's comments and consider how the condition affects them. Colour blindness affects one in 12 men and one in 200 women. It is caused if one of the three cones—specialised cells that detect red, green and blue—does not work as well as the others or does not work.

I love watching football; I used to play it many moons ago when I was much younger. Like others, I am really thrilled to watch ladies play football—they are very skilled. Last year, in the UEFA women's Euro 2022, Northern Ireland played England. For the record, we lost 5-0. England were due to wear their crimson away kit, but instead they wore their home kit so the colours would not clash for colour-blind fans. It might be a small thing, but it was a big thing for those who have colour blindness and cannot differentiate between the two teams on the pitch and on the TV. That is an example of what can be done. The green of the Northern Ireland shirt and the red of the Lionesses' shirt would have clashed, as green and red commonly have that impact on vision. It would have looked like 22 players playing among themselves, rather than playing against each other. That would have been the interpretation on TV.

Teams often change colours to make them easier to see. In my opinion, it should be compulsory to discuss that before every game with a potential colour clash. Has the Minister had an opportunity to discuss that with the Football Association to ensure that it is always checked before the match—long in advance of the

match, I should say, as a precursor—so that there is not a clash for those who watch the match through eyes that are colour blind? That is a simple thing to ask for. I know the Minister is always keen to respond to us, and I believe we should take that factor on board.

Another factor that we should discuss more is stadium safety and security, which the hon. Lady referred to. Colour-blind people can struggle to understand wayfinding information on venues and tickets because of its colour. Many times I have gone to a football match and been given a ticket of a certain colour. It is no problem for those of us who are not colour blind. We are told, "Go to this place," and we all know where it is as the colour is the way to find it. For those who are colour blind, that becomes a problem—not to mention emergency signage, equipment and evacuation plans.

The organisation Colour Blind Awareness notes that in the entire United Kingdom only two stadiums have been fully audited for colour-blindness accessibility. I have a gentle question for the Minister that we should try to address. What has been done to encourage the many hundreds of other stadiums to ensure that they are audited for colour-blindness accessibility to ensure that everyone can participate fully in sport? The Minister has always been helpful in answering our questions in the Chamber or in Westminster Hall. I am confident that he will do that in a positive fashion.

The issues apply to sports fans and the many guys who play football regularly. Sports presenters and journalists have raised awareness of the issue on social media and TV programmes, and have asked sporting organisations to do better. I could be a wee bit mischievous and say that it might be a good thing for Gary Lineker to do; we would all support him. He might even—I say this to him with gentleness—mention it this Saturday night on his football programme. We live in hope. I say that having been a Leicester City supporter since I was 14 years old, when they were in the FA Cup final in 1969 against Manchester City and lost 1-0. They were my team then and they are my team now.

There are many great sports people who suffer with colour blindness, and I will mention two or three across sports. They are a credit to their sport and fantastic role models who did not let the condition get in the way of what they wanted to do in life. Tiger Woods, a household name in golf; Jürgen Klopp, manager of Liverpool, and a fantastic football player in his day; and Bill Beaumont, the rugby player, are all colour blind. They are representatives of completely different sports, but the impact the condition has is the same. Of course, there is no need to worry about the yellow and red cards on the football pitch. One is light and one is dark, and it is possible to tell the difference. If a player is sent off, they are sent off and will know why. That is just an example.

It is estimated that 40% of colour-blind pupils leave school not fully aware that they are colour blind, because they do not speak out about what they are experiencing. Sometimes at school they might feel that they were different but not let on, because people would not understand what they were on about, and would probably give them a quizzical look. We should do all we can to speak out on this issue, because it is more common than we think. We can learn about social behaviours to treat people with colour blindness better. It is also important to train teachers how to identify and support pupils who suffer with colour blindness.

[Jim Shannon]

The hon. Member for Blaydon referred to better co-ordination between Departments. It is not the Minister's responsibility, but I know he will contact the relevant Minister in the Department for Education to see what has been done with sport in schools and education. That is my third ask; hon. Lady has already asked it, but I want to reinforce that. It might be helpful for the Education Secretary to undertake research on why schools are not responding better.

I conclude by thanking the hon. Member for Blaydon for raising the issue. She often raises issues that I am happy to support. It is our duty to raise issues that people might forget about. As my party's health spokesperson, I have been involved in significant work on eye health, so I understand the importance of the issue. This is an aspect of eye health that I am happy to learn more about, and today has been an opportunity for that learning, through the hon. Lady's graciousness in sending information relevant to the debate.

I hope consideration will be given to the comments of Members, the two shadow Ministers and the Minister who will sum up at the end, and that there will be greater support for those who are colour blind, especially in the sporting industry. What a joy it is to participate in sport, and to participate equally! Those with colour blindness are unfortunately not able to do that to the fullest extent. I know the Minister will be keen to respond in a positive fashion, and to give us the answers that we want.

9.54 am

**Marion Fellows** (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship for the first time, Mr Twigg. It is also a pleasure to follow the hon. Member for Strangford (Jim Shannon), as I do on many occasions.

I congratulate the hon. Member for Blaydon (Liz Twist). She is committed to rare diseases, syndromes and conditions that affect the daily life of so many people and their families, and she works continuously in this area. I am happy to put on record my thanks to her for all the outstanding work that she does to make others aware of many conditions. I also thank the charity Colour Blindness Awareness for its briefing and for raising awareness of these issues, which many of us have never actually thought about. We have already heard about the amazing numbers of people who are either carriers or affected by colour blindness, yet the issue is not taken as seriously as it should be in sport.

I also make a plea. This issue does not just affect rugby and football. My granddaughter plays netball, which is, I think, the biggest sport played by women and girls—certainly in my area in Scotland and, I think, across the UK. Although fewer women are affected by this condition, they have mums and dads who watch avidly. We have to think about all sports here.

The briefing from Colour Blindness Awareness made me aware that in England children are no longer screened for colour blindness as part of the healthy child screening programme. Screening has been stopped on the basis of evidence that has perhaps been discredited. Teachers are not trained how to identify and support colour-blind children. In Scotland and Wales, however, there is colour vision screening for under-16s. Studies show that despite

75% of children having had an NHS eye test by year 7 in England, 80% have never had a colour vision test, so they and their families will not know what is wrong. It is a huge thing for parents not to be aware of. I ask that the Minister looks at that and refers to it in his summing up.

The hon. Member for Blaydon and the Colour Blind Awareness briefing mention the Equality Act 2010. Almost incredibly, the guidance notes on that Act are erroneous. They state that people

“unable to distinguish between red and green”

should not be considered to have a disability. There is no such medical condition. People with colour vision deficiencies have a lifelong, debilitating medical condition that cannot be rectified, which excludes them from much information provided in colour. Many colour combinations can cause challenges, not just reds and greens. Consequently, the business, education and sporting sectors mistakenly believe that they do not have to take into account the needs of colour-blind people. That error discourages colour-blind people from bringing a legal challenge when discriminated against. That is important, because the Equality Act is about equality, so they should be able to bring forward these discrimination challenges. We all know from our experience in this place that those challenges often affect the decisions made by Government. Reviews are carried out and mistakes are rectified.

Colour vision deficiency, or CVD, affects about one in 12 men and one in 200 women, and there are approximately 3 million colour-blind people in Britain—approximately 4.5% of our population. That could be a significant number of people who play sport. As we have already heard graphically from the hon. Member for Blaydon, who spoke about her young footballer constituent, sport is losing out on people who could achieve elite status, simply because needs related to their CVD are not met.

The hon. Member for Strangford talked about signage in football stadia and other places, although we are talking specifically about sport in this debate. I thank him and the hon. Member for Blaydon for raising that point. I will write to sportscotland to find out its take on this important issue. We are aware that there are differences across the four nations in how things are done, but I do not ever want to say, and I hope I never have, that everything in Scotland is perfect—it almost is, but not always.

I am aware that a lot of what I am saying is repetitive, but I make no apology for it. My first ever Chief Whip would say, “Marion, repetition is good. It gets your point out to your constituents and to people across the Chamber,” so I will carry on repeating stuff that has already been said. In Scotland, the Government are keen on sport for all. They have taken a number of actions and follow a number of guidelines. For example, sportscotland, which gets its money from the Scottish Government, follows the SCULPT framework for digital accessibility. Importantly, under that framework, one of the basic principles that should be considered when digital material is produced is its colour and contrast. That comes back to the point about people finding things difficult in football or sports stadiums when things are colour-coded. I will also write to the Scottish Football Association, the Scottish Professional Football League and the Premiership clubs on this issue.



Until the debate was announced, I had not considered this issue at all in my role as SNP disability spokesperson, so I have got more work out of this debate, which I am actually quite happy about. We cannot always make effective change here and now as a result of these debates, but we can speak to the relevant bodies and raise their awareness of issues. The hon. Member for Blaydon is good at pointing people in the right direction on various issues, so again I commend her for her work.

The Active Scotland outcomes framework describes the Scottish Government's ambitions for sport and physical activity and commits to ensuring that everyone has opportunities to achieve, irrespective of disability. I will be speaking soon to Scottish Government Ministers, and will flag this issue. I cannot guarantee that I will be completely successful on it immediately, but I will keep plugging away. I understand the Minister is keen on responding to this sort of thing. Does he know which two stadia the previous speakers were talking about? If someone could let me know, I would be grateful. I will visit my local football club, Motherwell, and will be particularly interested in its signage. I do not know if the claret and amber cause difficulties for people with colour blindness, but I will find out as soon as I can.

10.4 am

**Jeff Smith** (Manchester, Withington) (Lab): It is good to see you in the Chair, Mr Twigg, and it is a pleasure to respond on behalf of the Opposition. I congratulate my hon. Friend the Member for Blaydon (Liz Twist) not just on securing the debate, but on her excellent speech, which set out all the issues and made some good asks of the Minister. As Members have said, she has been stalwart in raising awareness of the issue, and giving it a profile in Parliament, as she is doing today. The issue potentially impacts millions of people.

It is always a pleasure to hear from the hon. Member for Strangford (Jim Shannon). I did not know until today that the origin of his support for Leicester City was the 1969 FA cup final. As a lifelong Manchester City fan, that is one of my earliest memories, although it is a much happier memory for me than for him.

Colour vision deficiency or colour blindness affects many people in many different ways. One of the impacts is on their ability to participate and compete in, and watch, sport. Sport and physical activity are essential elements of a modern, healthy, thriving society. Participating in sport is important for physical and mental health and overall wellbeing. Watching sport helps connect communities, tackle loneliness and bring people together, as well as providing entertainment. Sport should be accessible and everyone should be able to enjoy it, no matter who they are. Unfortunately, for people who are colourblind, who face many challenges, this is not always the case.

The issue starts in school. Colour blindness is thought to affect around 450,000 schoolchildren in the UK. It can have real implications for their ability to learn and build confidence at school. Colour is often used as a tool for learning; for example, younger children use colouring-in sheets. Colour is used on maps and graphs. It is used to highlight information and make distinctions, particularly in school sport. We have heard the example of two teams wearing different coloured bibs in a school sports session. For a young person with difficulty differentiating between two colours, that can lead to their

making mistakes or being slower to follow instructions, and it can knock their confidence and their ability to participate. Studies show that 80% of pupils get to year 7 without ever having had a colour vision test. I understand that school screening for colour blindness ended in 2009, and teachers are often not trained in how to identify and support colour-blind children.

It certainly seems that this lack of support and knowledge can impact negatively on participation in sport. As my hon. Friend the Member for Blaydon said, research by Oxford Brookes University on the comparative levels of involvement of colour-blind and non-colour-blind players suggests that 25% of colour-blind players are potentially being lost to the system. That is obviously a problem, particularly as levels of physical activity among the population are not where they should be. Disabled people are one of the groups whose activity levels have declined most sharply since the pandemic, and fewer than half of all children do the recommended amount of sport and physical activity. We need to remove barriers whenever we can.

The issue continues into professional sport. For colour-blind people who make it as professional athletes, the barriers continue. It is welcome that colour blindness guidance has been created by the Football Association and UEFA for football and by World Rugby, but to date there is no official published guidance on the subject from the other major sports. Even in football and rugby, there is low awareness among clubs and coaches. If there is not a proper focus on the subject, lots of the issues that affect sports and players, such as team kit colours or the colour of the ball, can cause issues.

A lack of consideration for colour vision deficiency can mean that players struggle to identify their team mates. My hon. Friend the Member for Blaydon gave a couple of examples; I will point to another. Matt Holland, the former Northern Ireland international, used to play for Charlton Athletic. On his debut for Charlton, they were playing away in Plymouth. Charlton were playing in red; Plymouth were playing in green. After a few minutes, Matt had to run over to the side of the pitch and say to the assistant manager, "I don't know what I'm doing here; I can't differentiate the teams." He said that the assistant manager looked at him as if to say, "What on earth have we signed here as our new player?" He went on to have a very successful career. He is now working as a pundit, and continues to face similar issues.

If it is bad for players, think about the difficulties for referees. It is difficult anyway to get people through the barriers to becoming referees in sport, so we need to try to tackle this extra barrier. This issue also affects sports fans. We have heard about the kit clashes, which are a common occurrence and can make a match difficult to follow. That is particularly galling if someone has spent lots of money on tickets, travel or pay-per-view. Issues can also be caused by ticketing portals, which sometimes use colour to distinguish different seats' pricing and availability. As we have heard, this is also an issue when it comes to stadium safety and security. Because of the use of colours, colour-blind people can struggle to understand way-finding information, pick out emergency signage or understand things such as allergen advice in catering outlets. In the whole UK, only two stadiums have been fully audited for colour blindness accessibility.

[Jeff Smith]

Ambiguity around colour blindness and the Equality Act means that people who are colour blind often do not get their needs taken into account. Colour Blind Awareness, the organisation advocating for people with colour blindness, feels that the guidance notes to the Equality Act 2010 are problematic. The guidance notes state that people who are unable to distinguish between red and green should not be considered to have a disability, but people with colour vision deficiency do have a lifelong, debilitating medical condition that cannot be rectified, and many colour combinations cause challenges, not just red and green.

Under the 2010 Act, a person is considered to have a disability if they have a physical or mental impairment that has a “substantial and long-term” effect on their ability to manage normal everyday activities, but colour blindness is not specifically cited in the Act. The Government Equalities Office does recognise that colour blindness can be a disability in some instances, so I ask the Government to look at this. Will the Minister and his colleagues consider the arguments in favour of reviewing the Equality Act guidance, to ensure that it supports all people with visual impairments or colour vision deficiency?

My hon. Friend the Member for Blaydon made a number of excellent suggestions for actions to be taken, and I endorse them, because they raise questions about what more the Government can do to ensure that schools and sporting bodies from the grassroots to the professional better take into account the needs of colour-blind players, staff and fans. We need to break down every barrier to people getting active and enjoying sport in all its forms, and that includes for people with colour blindness.

10.12 am

**The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stuart Andrew):** It is a pleasure to serve under your chairmanship, Mr Twigg. I congratulate the hon. Member for Blaydon (Liz Twist) on securing this important debate and thank Members for their contributions. There is a fair bit of cross-party consensus on this. I suppose I should, in a sense, come out: I am a member of the colour-blind community and understand the challenges that come with living with the condition. I have a bad case of it. I get colours like red, green, orange and brown confused, and I also get blues and purples confused. I remember being in school and having to draw a map of where we lived, and I coloured a river purple and got told off for doing so. I certainly understand many of the points that have been raised today about educating people about the impacts. I have sometimes come downstairs in the most shocking clothes with colours that clash appallingly, and I have struggled to get my socks in order.

The world around us is often designed for people with standard colour vision, and that can make everyday tasks and activities much more difficult. The hon. Member for Blaydon raised the issue of the different political party colours at the election. I had to be very careful when designing my leaflets that I did not make them purple rather than blue, for fear of being confused with a UKIP candidate; I would not have wanted that.

The Government believe that opportunities to play sport and be physically active should be available to everyone, but we recognise that there are barriers that

prevent some people from taking part. I can assure hon. Members that we will continue to work with the sports sector to tackle those barriers. That is an area of high importance to me as the Sports Minister, because I believe that it is our responsibility to ensure that everyone has equal opportunities to participate in sport, regardless of their abilities.

As we have heard from a number of colleagues, the statistics are that in the UK one in 12 males and one in 200 females have some form of colour blindness. That means that in many team sports, such as football, rugby and cricket, at least one player in every male squad is likely to be colour blind. This condition can affect athletes’ development and performance at every level. The disadvantages that colour-blind athletes face obviously vary from sport to sport. As we have heard, in team sports, the colours of strips can be difficult to distinguish between. Team training presents similar challenges when different coloured cones are used. The hon. Member for Blaydon rightly pointed out—indeed, it was heart-warming to hear—the account from Marcus Wells where he talked about the different coloured cones and bibs for drills or games.

In canoeing, a colour-blind competitor might find it difficult to distinguish between the red and green gate markings that indicate the direction in which to pass through a gate. In cricket, the red balls can be difficult to pick out against a green background, even if the player is standing almost on top of the ball. I struggle with this personally, having always found it difficult to tell the difference between the colours of the balls while watching snooker. I often use that as an excuse for how bad a player I am, but I do recognise the issues.

Of course, it is not just those taking part in sport who are affected; it is, as hon. Members have said, the spectators too. Close to 3 million people have colour vision deficiency in the UK, and kit clashes in team games are an increasing concern. That is where, as we have heard, two teams wear colours that appear to blend into each other if someone has colour vision deficiency. There are many examples of games with clashing kits. Last season, in both legs of the League One play-off semi-final between Sunderland and Sheffield Wednesday, there were problematic clashes for colour-blind people. When there is a kit-clash game, large numbers of people could be affected.

Football fans have spoken out—we have heard today a number of accounts—on other struggles and highlighted the fact that it is hard to tell a red card from a yellow card. What is more, some fans say that they did not realise—I am one of these people—that a substitution board had different colours to show which player was coming on and which was coming off; some have even said that they could not see the numbers at all. As we have heard, fans with colour blindness arriving at stadiums and grounds to support their teams can also find it challenging if way-finding information is colour-coded.

The Sports Grounds Safety Authority guide highlights various challenges that venues need to consider, such as when information is conveyed solely by colour or when a plain high-visibility jacket is used to show that someone is a steward. Adding the word “steward” to those jackets is a simple solution that helps to improve the safety of all fans. I can commit to hon. Members today that I will happily raise this in my next meeting with the SGSA,

because safety is a high priority for us. As I have said, it is sometimes very difficult if signs have red backgrounds and green lettering. I say to the hon. Member for Motherwell and Wishaw (Marion Fellows), who spoke for the SNP, that I do not quite have the information to hand yet on the two stadiums, but I will be more than happy to get that information for her and pass it on.

It is important to note that some good work is being done to help to tackle these issues. I welcome the English Football League's decision to allow clubs to wear away kits at home games next season to aid colour-blind people in differentiating teams. That will benefit players, staff, officials and spectators. By allowing a home club to wear its away kit or third kit to avoid a kit clash, that organisation is making it easier to differentiate between the two teams, and in turn helping to make football inclusive for all. But I will be more than happy to do what hon. Members have asked me to do and continue to raise these issues with the FA and, indeed, with other governing bodies.

Another example in football is that of Stoke City, which ahead of this season made a number of retail changes around its new kit launch in order to assist colour-blind fans with their shopping experience. The club has renamed its replica kit items by adding a description of the colour on to all labels. That simple change makes it easier for colour-blind people to support their club how they want.

In cricket, there has been ongoing research into how pink balls have affected colour-blind cricketers. Actions taken from the results include changing the stitching on the ball to black to help make it stand out against surrounding colours.

World Rugby has also made changes to make the sport inclusive to those with colour vision deficiency. It consulted on proposed new laws that would be introduced for the men's 2027 rugby world cup. The proposed changes would see international teams wearing different shirts in situations that present a red-green clash.

There is also a collaborative partnership called Tackling Colour Blindness in Sport, which has been doing great work investigating the prevalence of colour blindness in professional sport. Although its primary focus is on football, it aims to identify any barriers to progression for colour-blind players as well as strategies to overcome them. We have heard a lot today about Colour Blind Awareness, which has worked with many sports and organisations, including the Football Association and UEFA, helping them to develop the first guidance document for football.

The Government's aim is to create an inclusive and diverse sports sector for all. That means sports should take into account the diversity of their players, spectators and workforce. We are currently working on the cross-Government sports strategy, and I want to ensure that inclusion features heavily. Hon. Members have raised a number of issues that stretch across other Departments, such as the Department for Education. We are working towards equal access for PE, and it is important to identify these issues early on.

I was fortunate to have the colour blindness test at school. I remember the coloured dots, where we had to read the number inside the dots. Because of my colour blindness, I could never find the number, and I thought I was just looking at pretty patterns. Identifying the issue early on makes everything easier.

The hon. Member for Manchester, Withington (Jeff Smith) raised an important point about seating plans when people are trying to buy tickets. I never go on those sites—I have to get someone else to do it for me, because I cannot work out which seats have been sold and which are available, because of the use of colours.

I have a departmental role in terms of the Equality Act. I will have a look at the issues and see what can be considered, although I make no promises.

I thank the hon. Member for Blaydon for securing the debate, and all other Members for their contributions in highlighting this important issue. Everyone should have the chance to watch, play and enjoy sport. The Government will continue to work with stakeholders to make sport in England as inclusive as possible. As a colour blindness sufferer myself, I know acutely how challenging it can be. I would be more than happy to meet the hon. Lady to discuss the issue further.

10.23 am

**Liz Twist:** I thank all Members who have taken part today. The hon. Member for Strangford (Jim Shannon) is always so supportive in pursuing these issues. He spoke very well about stadium safety, as well as the practical aspects. I thank him for his contribution.

I thank the two Front-Bench spokespeople—the hon. Member for Motherwell and Wishaw (Marion Fellows) and the hon. Member for Manchester, Withington (Jeff Smith)—and the Minister for their responses. This is one of those debates where everyone knows there is an issue and everyone is looking to do the best thing, but we just need to do some more.

I thank the Minister for telling us about his personal experience of having colour blindness, and the practical difficulties it entails; I thank him for saying that he will continue to pursue the issues, especially through the sports strategy. He raised an important point about PE in schools, where there is that intersection between sport and education.

People who suffer from colour blindness face very real difficulties. There may be good anecdotes, but those people face real difficulties in their lives, not just in sport. It is good to hear that sport is, in some ways, leading the way in tackling the issues, but we need to make sure that the broader issues are picked up as well. I thank the Minister for agreeing to raise this matter through the broader sports strategy.

*Question put and agreed to.*

*Resolved,*

That this House has considered access to sport for people with colour blindness.

10.25 am

*Sitting suspended.*



## Mental Health and Wellbeing Plan

11 am

**Derek Twigg (in the Chair):** I will call Kevan Jones to move the motion, and I will then call the Minister to respond. As is the convention for a 30-minute debate, there will not be an opportunity for the Member in charge to wind up.

**Mr Kevan Jones (North Durham) (Lab):** I beg to move,

That this House has considered the mental health and wellbeing plan.

It is a pleasure to serve under your chairmanship, Mr Twigg.

It is now 11 years since there was a major debate in Parliament on mental illness, when I and many other hon. Members spoke about their own experiences. That debate changed attitudes in this place towards mental illness and wellbeing, and both the press and members of the public have made great strides in being able to speak about mental health. We also now have members of the royal family speaking about their own mental illness, and it is heartening to see the Prince of Wales taking mental health and wellbeing as one of their charity initiatives. Unfortunately, however, there is still a lot of progress to be made in delivering timely treatment, particularly prevention and early intervention.

In England, the numbers speak for themselves. Around 1.7 million people are in contact with mental health services, and according to NHS England's monthly statistic dashboard, 26,000 of them are occupying hospital beds or have a hospital bed open to them. We have also seen severe pressures on ambulance services and the police due to people in mental health crisis asking for help. However, according to the National Audit Office, there could be around 8 million people with mental health needs that are not currently being met by mental health services.

I am sure the Minister will tell us shortly that the Government are delivering record levels of investment in mental health services, but according to research by the Royal College of Psychiatrists, almost a quarter of people are waiting more than 12 weeks for any form of treatment. Some 43% of mental health patients say that longer waiting times make their conditions worse, and 78% resort to attending A&E because they cannot access services. I am sorry, but that is unacceptable. It shows that despite the amount of money going into mental health—I would argue that there needs to be more—much more needs to be done on prevention. We need a joined-up approach across Government to reduce the demand on services and to get people more timely treatment and intervention.

That is why I welcomed the Government's announcement of the development of a cross-departmental 10-year mental health and wellbeing plan last year, and it was also broadly welcomed by everyone in the mental health sphere, including many charities. It was launched with a great fanfare of publicity as a major initiative by the Government, who said at the time of the launch that

"now is the right time to think about bold, long-term actions to build the mentally healthy society that we want to see in 10 years' time."

The then Health Secretary, the right hon. Member for Bromsgrove (Sajid Javid), said that

"our new 10-year plan will set an ambitious agenda for where we want the mental health of our nation to be in a decade's time."

Over 5,200 individuals, organisations and stakeholders responded to the discussion paper. Charities such as Mind said that a truly cross-Government plan will play a key role in making sure that support for our mental health starts to rebuild, post pandemic, to the same level as our physical health, so it was a bit of a shock when the 10-year plan was quietly scrapped in January this year. Instead, the Government say that mental health will be addressed in their major conditions strategy. As I have already stated, it is clear from the number of people requiring interventions that mental health should be included in any such strategy.

**Rachael Maskell (York Central) (Lab/Co-op):** My right hon. Friend is making an excellent speech, and I completely concur with his concern. There is a challenge. We know we are very interconnected beings, and our mental health and physical health are joined up. If we do not provide the focus required around mental health, it can get subsumed into other priorities, with mental health not having its day, its funding or real impact.

**Mr Jones:** Yes, but that is what was so good about the 10-year mental health plan. That was going to do exactly what my hon. Friend suggests. It was going to look at the interconnections between physical and mental health, and some of the reasons it occurs in the first place.

**Liz Twist (Blaydon) (Lab):** My right hon. Friend mentioned the consultation and the enthusiasm of the respondents. YoungMinds, a great organisation dealing with young people's mental health, had 14,000 young people commenting as part of that consultation. Is he as concerned as I am that their views will now be lost and that they will be dispirited?

**Mr Jones:** I congratulate YoungMinds on its great work. It is disappointing that many of those people will feel let down, that their perfectly legitimate concerns around the mental health of young people will not be taken into consideration in a broader strategy. I will come on to that, but I would like to make some progress.

The major conditions strategy covers cardiovascular disease, including stroke, respiratory disease, musculoskeletal disorders, dementia, and cancer. Those are some of the most challenging areas that face the NHS. As my hon. Friend the Member for York Central (Rachael Maskell) just mentioned, much has been said about parity of esteem between mental and physical health. I am a passionate believer; I believe that the integrated whole approach is right and should be our aim. However, a co-ordinated approach does not simply scrap the plan for mental health and wellbeing, if that means, as my hon. Friend the Member for York Central just outlined, that those will not actually be taken up or given the priority that they need.

If anything, trying to create change across a vast swathe of health in one strategy could risk dealing with none of the challenges that are faced in those different areas.

**Jim Shannon** (Strangford) (DUP): I commend the right hon. Gentleman for bringing this debate forward. One of my concerns, which I suspect he has along with others, is for those with eating disorders, which is clearly a mental health and physical issue. Across the United Kingdom of Great Britain and Northern Ireland, there are 700,000 young people with eating disorders. That is not a core part of the Government's plan, but it needs to be. Does he agree that eating disorders have to be key and core to any strategy addressing mental health and physical health?

**Mr Jones:** As the hon. Gentleman knows, eating disorders can affect people of any age, but there is a huge cohort that are young. I am coming on to my concerns about particular emphasis on young people's mental health, which needs to be addressed.

**Daniel Kawczynski** (Shrewsbury and Atcham) (Con): Will the right hon. Gentleman give way?

**Mr Jones:** Give me two minutes to make some progress. There are two issues that I want to highlight, which will fall through the cracks without dedicated attention. That is tackling disparities, and the mental health of children and young people, just raised by the hon. Member for Strangford (Jim Shannon). In the original plan for the 10-year strategy, the Government spoke about tackling enhanced disparities. They said:

"Addressing disparities will be a key aim across the whole of the mental health plan—from prevention through to early intervention and treatment."

**Daniel Kawczynski:** The right hon. Gentleman is talking about young people. We would all concur that additional support for young people with mental health issues is extremely important. Does he agree that emotional intelligence support for young people is related to this? Does he agree that more emotional intelligence should be taught in schools, to help people through with their mental wellbeing?

**Mr Jones:** Personally, I would not call it emotional intelligence; I would call it emotional robustness and I will come on to say more about that. However, the hon. Gentleman is right about the importance of trying to make sure that young people are as robust as possible in dealing with the situations that face them now in modern life.

The discussion paper for the 10-year plan mentioned no fewer than 18 disparity factors relating to mental health, including financial insecurity, discrimination, the criminal justice system, poor quality of work or employment, living standards—the list goes on. It is important to acknowledge those factors, because the Government themselves said that they needed to be addressed in mental health and wellbeing plan. Colleagues will know that I have often been on the record saying that the way to tackle mental health and wellbeing is to make sure that we hardwire into Government policy consideration of mental health and resilience across Departments. That is why I welcomed the approach in the plan.

However, building consideration of mental health into a major conditions strategy means that only one disparity factor is likely to be taken into consideration,

which is physical health. Many other disparity factors, which are often complex, obviously relate to people's wellbeing, but I fear they will be sidelined in the strategy.

Let us just take one of those other disparity factors, which is financial insecurity. According to the Office for National Statistics last autumn, around one in six adults experienced moderate or severe depressive symptoms. That increased to one in four for those who find it difficult to pay energy bills, or rent or mortgage payments. And according to a YouGov poll for Barnardo's, almost a third of parents said that children's mental health has worsened during the cost of living crisis.

We know that the effect of wellbeing on health includes its effect on mental health, which is substantial. This was such a key priority for the Government that they outlined its importance in their levelling-up agenda. The levelling up White Paper said that

"wellbeing has a bearing on all four of the UK Government's objectives for levelling up".

The 10-year plan discussion paper specifically said that

"a new plan for mental health is needed to deliver the Government's levelling up mission to narrow the gap in healthy life expectancy between local areas".

However, we now have no mental health 10-year plan, so where does that leave those good words that were in the levelling up White Paper?

We also need early intervention and prevention, which are so important. We know for a fact that around 50% of mental health conditions are established by the time that a child reaches the age of 14 and 75% of them are established by the time someone is 24. However, it is estimated that 60% of children and young people who have diagnosable mental health conditions currently do not receive NHS care. I share the very valid concerns raised by mental health charities and others that scrapping the 10-year plan and merging mental health into the major conditions strategy means that the people who will be at most risk will be children and young people, who are less likely to have chronic physical health conditions, but are most likely to benefit from early intervention, for example counselling or psychotherapy.

I have spoken before about the importance of making sure that we get children and young people's mental health right. Rates of probable mental health disorders in children aged between six and 16 have risen from 11.6% in 2017 to 18% in 2022. That equates to one in six children aged between six and 16 having a probable mental health condition. And as has already been mentioned, 700,000 children have accessed mental health services in the last 12 months.

**Rachael Maskell:** The Government need to take on board the important point that addressing the scale of mental health challenges in young people will not just be about health and looking at that major conditions strategy and how it interrelates with other health conditions, but about looking at what society offers, such as the education system, the digital community and so much more, which put so much pressure on young people. Does my hon. Friend agree that that is why we need this focus?

**Mr Jones:** That was the beauty of the 10-year plan; it was going to do that.

[Mr Kevan Jones]

Coming back to children's and young people's mental health, referrals have increased according to the Children's Commissioner, but waiting times are growing and fewer children are receiving treatment. We need universal access to counselling for children, which we do not have at the moment. That is why I support providing special mental health support in every school. I stress that schools are not islands, separate from their communities. We also need clear links between the support given there and in the community.

I have already spoken about having a joined-up approach to mental health, but there is another issue: to use a Bill Clinton quote, "It's the economy, stupid." If media reports are correct, the Chancellor will stand up later today to deliver what he is calling a back-to-work Budget, but unless we take proper joined-up action on mental health, any ambitions he announces today will not be achieved. Adults with mental health conditions are more likely to be out of work or in lower paid work. The total annual cost to the Government is estimated to be between £24 billion and £27 billion a year, and the overall loss to the economy to be between £70 billion and £100 billion. That is money people could contribute to our economy, so this is not just about people's wellbeing, but about ensuring the economy benefits from good mental health and wellbeing.

England is the only nation in the UK that does not have a 10-year plan. The Government's current approach of scrapping the previous 10-year plan risks, as my hon. Friend the Member for York Central said, sidelining mental health and short-changing future funding and policy decisions. It shows the lack of a coherent focus and risks losing the momentum that has been built over the past few years in mental health and wellbeing. Whether it is tackling disparities and the many complex drivers of mental health, or pursuing prevention and early intervention in children's mental health, long-term planning is desperately needed in this sector. I cannot understand why the Government have put this to one side.

As I said last year to mark the 10th anniversary of speaking about my own mental health in the House of Commons, we need a dedicated public health strategy for dealing with mental health and wellbeing. We need a mental health strategy that is hard-wired into not just the Department of Health and Social Care, but every single Department and into local government. When the Government launched their paper for a dedicated 10-year plan on mental health and wellbeing last year, they said to

"challenge us to be ambitious".

I am urging the Minister today to be ambitious.

11.18 am

**The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield):** It is a pleasure to serve under your chairmanship, Mr Twigg. I thank the right hon. Member for North Durham (Mr Jones) for bringing forward the debate and for all his work in this space. He is absolutely right that mental health affects us all, and for those who have a poor experience with mental health the impacts can be life-changing. He is also right that debates in this place have broken taboos

and challenged stigmas around mental health, and have helped with the national conversation about mental health and why it is so important. In one sense, I violently agree with all that he said. The difference is about how we get to that place where we are looking at mental health, rather than just mental illness, and treating people sooner when they need help and support.

I believe that in the last 10 years we have seen a seismic shift in the way that we look at mental health—a shift to parity with physical health, and towards early intervention and community support, rather than waiting for someone to reach a crisis and then intervening. It has been a shift to look at mental health as well as mental illness; the two are very different, but support each other. If we get mental health right, we are much more likely to deal better with mental illness. Parity between mental health and physical health is why the major conditions strategy has mental health in it.

Huge progress is being made. We have committed to funding increases each year, from almost £11 billion in 2015 to £15 billion in the current financial year. Such a level of funding has not been seen in mental health services before, and it is making a difference. The additional £2.3 billion a year to transform mental health services in England has the aim of getting in as early as possible when people need help, and moving to community mental health services as the first port of call for people who need support.

I have seen in practice the difference that the funding and change of emphasis are making. I recently visited Hammersmith and Fulham Mental Health Unit, where community and in-patient mental health teams are working together. If someone is struggling in the community they get input from the in-patient setting, and, when someone is an in-patient, the community team are making sure they are getting the help and support they need for discharge. It is working extremely well.

I have met with police chiefs and talked about the Humberside model, which means that patients are not being taken to A&E or police cells as a first point of refuge, but are instead seen by community support teams. That frees up police time, and is a better experience for patients to quickly receive more appropriate care. That would not have been possible 10 years ago. Of course, there is work to be done, and we get huge numbers of patients who need services and want referrals, but a huge amount of progress has been made.

We recently announced £150 million to support crisis centres in local communities up and down England, so that someone who is not well has easier access to teams and support. Up to 90 mental health ambulances are being rolled out, which means that if someone is going into crisis, it is a mental health support team that responds to them, and not necessarily a paramedic, who would normally be the first responder. That is making a difference, keeping people out of hospital and making sure they are getting the right support as quickly as possible.

**Daniel Kawczynski:** The Minister will recall a conversation we had some time ago, when I was very keen for her to meet a constituent of mine from Shrewsbury who has a daughter experiencing mental health problems. They are not happy with the level of service we receive in Shropshire. I hope the Minister will commit to meet my constituent.



**Maria Caulfield:** I am happy to meet my hon. Friend's constituent.

Record numbers of patients are coming forward, both through referrals and via GPs. The consequence of breaking stigmas and taboos and encouraging people to come forward early is that more people want to use the system, so it is taking longer than we would hope for them to be seen. The situation is the same in Scotland, Wales and Northern Ireland; it is not just something that England faces, which is why we are focused on increasing funding and resources. We are recruiting 27,000 additional mental health staff, and we are on track to deliver much of that in terms of support staff that are already in place.

We are also putting mental health support teams in schools. There are 287 mental health teams in place, covering 4,700 schools and colleges. They are not only helping young people who are struggling, but normalising mental health and making it as important as physical health. We teach young people about their physical health in schools—how to look after it and look for signs and symptoms of concern—but we have not done that in the past with mental health. Mental health support teams will normalise the idea that mental health wellbeing is as important as physical health wellbeing.

It is an achievement that in the major conditions strategy, mental health is on a par with other major conditions in the strategy. We cannot see patients just as people who have mental health needs, or who are suffering with a mental health illness. More than one in four patients who have mental health conditions have two or more long-term conditions, and 30% of people with a long-term physical health issue will also have a mental health problem. We cannot treat problems in isolation—seeing the individual as a cancer patient, a heart disease patient or a mental health patient. People are complex and have multiple issues.

By putting mental health in the major conditions strategy, we are matching what NHS England is doing with its Core20PLUS5 strategy. The right hon. Member for North Durham talked about inequalities. That is exactly what Core20PLUS5 does: it looks at the 20% of the population who are the most deprived and struggling the most with all their health needs, both physical and mental, and drills down into the five conditions that drive those inequalities, of which mental health is one. The major conditions strategy will mirror exactly what NHS England is doing.

**Mr Kevan Jones:** Will the Minister comment on the 5,200 responses to the discussion paper and the issue that was raised by my hon. Friend the Member for Blaydon (Liz Twist) about groups that fed into the discussion paper? How will that work, and how will charities and people in the sector be able to feed into the new strategy?

**Maria Caulfield:** I am not one for reinventing the wheel. Consultation work has been done, and we received a significant response. The hon. Member for Blaydon is right to point out groups such as YoungMinds, who will be in Parliament next week—I hope to meet them to follow up discussions. We will publish the previous call for evidence this spring, because we want to use that work to navigate and develop the mental health part of the major conditions strategy. This is not about undoing the work that was done before; it is about including it with physical illness. Over a third of people with severe symptoms of common mental health disorders also report a chronic physical condition, compared with a quarter of those with no or fewer symptoms of a common mental health disorder. Physical and mental health are very much interlinked, and to address one without the other would be to do a disservice to those patients.

**Rachael Maskell:** I am glad that the Minister has talked about parity of esteem, but only 8.6% of the health budget is spent on mental health. I hope that we will see a real uplift in funding for and investment in people's mental health. Will the Minister set out the timeline for the publication of the strategy? It feels like the can is being kicked down the road.

**Maria Caulfield:** For the mental health perspective, which is the area that I work on, we will publish the previous consultation responses this spring—in the forthcoming weeks. That will feed into the development of the mental health aspect of the major conditions strategy, which we want to publish very soon. We also have the suicide prevention strategy, which will be a stand-alone strategy that will dovetail into that as well. There are record levels of funding for mental health. I am sure that more will be required, but it is not just about the amount of money; it is about how we spend it. We want to deliver on mental health ambulances, crisis centres and community support. We want to get in as early as possible.

I hope that I have been able to reassure hon. and right hon. Members that, just because this is not a standalone mental health strategy, that does not mean that we are reducing elements of the work that has gone before. It is so important to include it with those other major conditions, which is exactly what NHS England is doing with its Core20PLUS5 strategy to reduce inequalities. We hope to do the same with our strategy.

*Question put and agreed to.*

11.29 am

*Sitting suspended.*

## Shellfish Aquaculture

[JULIE ELLIOTT *in the Chair*]

2.30 pm

**Anthony Mangnall** (Totnes) (Con): I beg to move,

That this House has considered shellfish aquaculture.

It is a pleasure to serve under your chairmanship, Ms Elliott. As treasurer of the all-party parliamentary group for shellfish aquaculture, I am pleased to have the opportunity to speak up for shellfish aquaculture across the United Kingdom and the businesses linked to it.

I do not believe it is an exaggeration to say that the UK's aquaculture sector has long been overlooked and undervalued. A quick comparative glance at the various European oyster, mussels or scallop farms versus those of the UK shows that we are behind the curve in size and scale. Such a lackadaisical approach to aquaculture has dulled confidence in the industry and seen successive Governments fail to recognise the true potential of harnessing, working and using our coastal waters. If done right, we can help to create tremendous opportunities along the UK's coastline and address some of the very real issues outlined in Professor Chris Whitty's report on health and wellbeing in coastal communities, as well as countless reports on the aquaculture sector.

In accepting that more needs to be done and by addressing the bureaucratic red tape, improving our relationship with our friends and neighbours in Europe and ensuring the regulatory environment is a help, not a hindrance, we can create more jobs, boost local economies, support coastal communities, protect the marine environment and even enhance our coastal waters and play a part in sequestering carbon dioxide, as well as creating a sustainable food source that relies on little to no chemicals and addressing our food security concerns. Yet those successes are dependent on us changing our approach.

In the past seven years, UK mussel production has decreased by 60%—by 99% in Wales. In the past three years, UK oyster production has declined by nearly a third. That decline comes despite the Government's best efforts to help through the fisheries and seafood scheme and countless other funds and initiatives that have been put in place over the past few years.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): The hon. Gentleman is absolutely right about the woeful lack of attention received by the sector, which is important for communities such as the ones that I represent. Can I suggest that what we really need is Government and Governments who operate in the same direction? At the moment in Shetland, we have the Shellvolution project, which brings £4.4 million to develop low-carbon, sustainable mussel farming—something that is good for the whole of Scotland—and is funded by both the UK and Scottish Governments. At the same time, we have a consultation on highly protected marine areas that is focused almost exclusively on inshore waters, which was today described to me by a local businessman in Shetland as an existential threat to the industry.

**Anthony Mangnall**: I thank the right hon. Gentleman for his intervention. I know how hard he works on behalf of the aquaculture businesses in his area, but

also that he sees the wider picture across the United Kingdom. He is absolutely right about the spatial squeeze that is closing out our fishermen and aquaculture businesses. I suspect that this will not be much of a debate; it may just be a moment of violent agreement across the House to talk about how we can work together to find a collaborative approach that allows us to grow the sector and bring enormous benefits to our coastal communities, and indeed to the sector itself. The right hon. Gentleman will find no disagreement with me on this matter and I will certainly come on to that point later on.

We need to change our approach to address the decline and recognise that we must be fleet of foot to not just save the sector, but build it up, develop it and let it become the success that we all know it can be. With the Windsor framework almost agreed, it should not be wrong to expect an improved relationship between the UK and Europe. If that is the case, we can rightly expect to take advantage of this situation and see to it that sectors that are so readily dependent on close-to-home export markets have the opportunity to address some of the problems they have experienced both at home and abroad.

I will point to specific examples both at home and abroad of where I believe we can take the necessary steps to help our aquaculture sector enormously. As a representative of south Devon, with one of the finest coastlines, I can tell you, Ms Elliott, that there are few delights as good as fresh oysters and a pint of Guinness. In fact, I invite you and the Minister down to south Devon, and, even more, I shall pay for lunch—I don't know if this counts as bribery—to welcome you down any time you like to experience such a delectable combination.

**Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): What about the rest of us?

**Anthony Mangnall**: The Chair of the International Trade Committee is more than welcome to come as well. On the basis of cross-party co-operation I am happy to invite the shadow Minister, the hon. Member for Cambridge (Daniel Zeichner), as well. However, this lunch, which is rapidly becoming more expensive for me, is conditional on addressing the problems facing the mighty Pacific oyster. For over 100 years, the Pacific oyster has existed in our coastal waters. In fact, in the 1960s, to mitigate the inability to farm many native species in certain parts of the United Kingdom, the Government reintroduced Pacific oysters to help expand and cultivate the aquaculture sector, so that we could grow a proper aquaculture industry.

The lack of clarity around the status of the Pacific oyster has held back the ability to farm it and benefit from its presence in our waters. The Department for Environment, Food and Rural Affairs has been absolutely clear in correspondence to me and the chairman of the shellfish aquaculture all-party group, my hon. Friend the Member for Barrow and Furness (Simon Fell), that there is no doubt that Pacific oysters are a non-native species. We do not disagree with that point. However, given the prevalence of Pacific oysters, and the almost indisputable presumption that we will not be able to rid them from our waters, it is surely time for DEFRA to recognise that the Pacific oyster has become naturalised to the UK environment.

It is worth pointing out, but I am happy to be corrected on this, that in the guidance on section 14 of the Wildlife and Countryside Act 1981, paragraph 18 states:

“A species would be considered to be ‘in a wild state’ where the population lives and fends for itself in the wild.”

If we were not farming them, those Pacific oysters would continue to exist in our waterways. Why not take advantage of what we have?

As the Minister knows, DEFRA has moved positively for those farming Pacific oysters south of the 52nd parallel. However, for those north of the line of latitude, the future looks desperate if not deathly. One only needs to consider the issues with Lindisfarne Oysters, which has been restricted from expanding by Natural England. North or south, east or west, the future of the industry is still in jeopardy because we are failing to be clear about the status of Pacific oysters in our waters.

The knock-on impact of the issue is that shoreline owners stop supporting the sector. I will give the very specific example of the Duchy of Cornwall, which has decided to phase out all Pacific oyster farms over the next two to three years on sites where they exist. It says the reason is that Pacific oysters remain classified as non-native and invasive. That decision alone will close three to four businesses in my constituency, and impact hundreds more across the country. It will also provide an example for other shoreline owners.

To compound the problem, Natural England has already issued advice to Natura 2000 sites, saying that it believes that,

“there should be no new Pacific oyster farms and no expansion of existing ones should be allowed”.

Stopping the farming of Pacific oysters will not reduce or eradicate their presence in our waters, so why are we not taking advantage of the chance to build up the sector? To use comparative figures, the UK produces in the region of 3,000 tonnes of oysters while France produces 145,000—95% of which are Pacific oysters.

An hon. Lady from Cornwall—whose constituency I have totally forgotten—cannot be here but would make the point that in parts of Cornwall they do not want Pacific oysters to be introduced. It is important to put on record that the oyster farmers of Cornwall take a different approach.

**George Eustice** (Camborne and Redruth) (Con): As a neighbouring MP to Truro and Falmouth, which is the constituency my hon. Friend was seeking, I know that there is a wild native oyster fishery in that area. When it comes to the Pacific oyster, my understanding from my dealings while I was Secretary of State and Minister in this area is that there is an acceptance of triploid oysters, which are sterile and thus less likely to spread and have an impact. Is my hon. Friend aware that his constituents and businesses could use triploid oysters?

**Anthony Mangnall**: I am, and I am also particularly grateful for the work my right hon. Friend did during his time as Secretary of State for DEFRA. I thank him for reminding me about the constituency of my hon. Friend the Member for Truro and Falmouth (Cherilyn Mackrory), and for putting on the record what his oyster community is talking about.

My right hon. Friend is absolutely right, but in parts of south Devon triploids do not work as well as Pacific oysters, and farmers there have a tried and tested method. That is where we have to be careful about the language we use. At the moment the language used by DEFRA is holding back the sector. It is not about saying that Pacific oysters are right for everywhere, but recognising that, where they already exist, there is a chance for us to create a community and an industry that could grow, develop and rival the size of France's industry.

We are at odds with European countries, many of which have long since stopped trying to eradicate Pacific oysters and have accepted that they are fully resident and compatible. To avoid choking the industry out of existence, we need to look at how we can support and grow the Pacific oyster sector. That can be achieved in three rather quick ways.

The first is to create a new national policy that takes a realistic, pragmatic and holistic approach to the species and the benefits it can bring not just to biodiversity, but through a social and economic impact on coastal communities. We must question, even push back, against the all-too-often precautionary approach of Natural England. DEFRA, through the Minister, should use this new era—dawn, start, beginning, whatever we want to call it—to create an environment that returns the sector to its previous size, and to develop it.

Pacific oysters are only part of the aquaculture jigsaw. The export of live bivalve molluscs is also of the utmost importance. The changing relationship with the European Union has meant that the export of shellfish from class B waters has become far more complicated. Before we go into the weeds on that, I want to pay tribute to the Food Standards Agency for its work and co-operation with the sector in helping to prioritise and implement improvements to UK classification protocols. Since 2021, in England and Wales, class A areas of water have increased from 26 to 40, and seasonal class areas from 19 to 27. That is a significant improvement that should be welcomed.

I want to put on record my thanks to the Food Standards Agency, which has done so much to co-operate and engage with the APPG and my shellfish community, but significant improvement does not mean job done. Our attention must be directed towards creating stability and as much certainty as possible. Within the trade and co-operation agreement there are 18 specialised committees. Two of those, on sanitary and phytosanitary measures and on fisheries, are the conduit—the mechanism—for both sides to address grievances and technical issues, as well as to find solutions and harness improved trade and agreement between parties.

However, like most EU structures, they can be cumbersome and bureaucratic. The SC on fisheries has met only five times since 2020, and the committee on sanitary and phytosanitary measures has met only twice. Progress through those committees can be sped up. I politely ask the Minister to put his weight behind that request, and to raise the matter with his EU counterparts. Resolving trade frictions can be achieved through expedited measures. Although the SCs are a valuable avenue, they are by no means the only route to take.

Sort out the trade flows and we can reach new markets, and grow our oyster, mussel, scallop and clam markets far beyond their current levels. Engagement with our friends and neighbours can be only part of the



[Anthony Mangnall]

strategy. We also need to look closer to home for what we can do. As already mentioned, the changing relationship with our neighbours has had an impact on trade flows, but our domestic legislation plays a significant role in holding back the growth of the sector, particularly the classification of harvesting waters.

The Minister will be aware of the Seafish report, “Review of the application of the Official Control Regulations for shellfish production as they relate to microbial contamination”. Once we are past that rather tricky title, it is a fascinating report comparing UK and European standards. The purpose of the report was to review the

“application of official controls across different EU member states and to identify the areas of deviation and flexibility that may exist.”

Bearing in mind that the United Kingdom wrote the rules when we were in the European Union, it should be a cause of concern to see other countries take a more flexible and agile approach to those rules. The report goes into forensic detail. In a response to a letter from me and my hon. Friend the Member for Barrow and Furness, the Food Standards Agency said, in relation to that Seafish report, that it had

“prioritised working on improvements based on several proposals from the report such as: application of different tasting methods for classification results; use of industry sampling as part of official sampling records; reviewing the timeframe for reopening sites after high results; reviewing the relationship between investigative sampling results and the classification record.”

What correspondence has the Minister had with the FSA about the Seafish report? Is he able to share that with the House or put it in the House of Commons Library? Is there an update on the FSA’s progress on those points? It is fantastically good to hear that it is willing to look at the report and act on the recommendations, but we need an update, because many businesses have been waiting far too long.

All businesses in the sector—and all businesses generally—need certainty and stability. The comparisons and recommendations put forward by Seafish would go a long way to creating an environment of stability, thereby attracting investment and opportunities for the sector. The four proposals would not put us out of line or in contention with other countries in Europe. Indeed, they might see us become more aligned with many of their practices. Given that we now sit outside the EU and can act on a unilateral basis, I ask the Minister to push through the proposals as quickly as possible. Implementing the measures will not put at risk our harvest or humans consuming live bivalve molluscs, but will at least make the sector more flexible and able to respond to circumstances that are often beyond its control.

While changing the regulation and testing methodology can help, there is no substitute for simply improving our water quality. Despite some Opposition mischief and misdirection, I am hugely proud to have voted in support of the Government’s landmark policies to help clean up our rivers and coastal waters. Our Victorian-era network is creaking under ever more pressure from development and age, but our new laws have pushed water companies to invest a further £56 billion over the next 27 years and have set actionable targets that are punishable with

hefty fines if not met. Those measures, without raising the costs on households, are set to bring our water network up to speed and ensure that waste water and sewage management plans are adhered to and delivered so that the public can have faith in our water companies to do what is right.

Through not just the Environment Act 2021 but the Agriculture Act 2020 and environmental land management schemes, we can help change habits to improve the quality of our waterways. If we bring farmers and fishermen together, they can help one another understand how what happens on land can have a huge impact on water quality far off the coast, impacting many aquaculture farms. Joining land and sea-based businesses in common cause and understanding will help improve biodiversity and protect our landscape and seascape for future generations.

I have several businesses in Totnes and south Devon in the aquaculture space, but the reality is I should have hundreds more. Perhaps the most effective case study is Offshore Shellfish—the largest mussel farm in the UK and, soon, Europe. Based out of Brixham and operating in Lyme Bay, it is an extraordinary success, despite immeasurable challenging circumstances facing the sector. In succeeding, it demonstrates just how much potential there is in the aquaculture sector. Offshore Shellfish has pioneered blue offshore food production and, in doing so, has been recognised internationally as being technically, scientifically and commercially 10 years ahead of any competitor in Europe. Indeed, it has already been contacted by the Dutch, the French, the Germans and the Irish to run trials and pilot schemes, showing just how viable and brilliant its model is and how brilliant British innovation in the sector can be. However, to attract long-term investors, the Holmyard family, who run that extraordinary company, need to be able to reassure investors about stable access to markets, strong and comparable testing regimes, good trade flows and clean waters.

My asks are perfectly simple. They are those of the APPG for shellfish aquaculture, so they are not new, but they come with a warning: failure to act now will condemn the sector. The Minister has the powers, ability and understanding to make the necessary changes. At the end of this not quite Chancellor-esque lengthy speech, I hope he will take the opportunity to take advantage of our new-found freedoms, use the agility of not having to consult 27 other countries and change our rules and regulations to unlock the huge potential of the sector. If he does, not only will he be a champion of the aquaculture sector—I know flattery gets you everywhere in this place—but he will effectively and meaningfully go a long way to help coastal communities level up, without having to use Government resources. The potential is there. The opportunity is there. I know how hard the Minister works on the issue, so I look forward to working with him.

2.49 pm

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Thank you for calling me in this important debate, Ms Elliott. I am grateful to the hon. Member for Totnes (Anthony Mangnall) for introducing it. I will be taking a slightly different tack from him, because I represent Huddersfield—as you know, Ms Elliott—and the last anyone looked, it is not on the coast. I also chair Thames Renaissance,

and although Huddersfield is not on the Thames either, I was born in Sunbury-on-Thames, and I went to Hampton School, which is on the Thames, and the London School of Economics, which is also on the Thames, so I have some credentials when it comes to water.

I also regularly visit coastal resorts such as Whitby in Yorkshire and Whitstable. They are both favourites of mine because they are places where people can enjoy the most wonderful surrounding countryside and the beautiful fishing that goes on there. Historically, people could also buy fresh fish, lobsters, crab, oysters and mussels in both resorts, take them home and have an absolutely brilliant feast made from something that is produced in our seas.

The reason I am speaking in this debate is that I am increasingly concerned that it is no longer possible to get fresh fish in Whitby or Whitstable. Mysteriously, it is no longer on sale, and neither are crabs. Indeed, the notices in those two resorts will say: "Everything here is imported"—all the crabs, all the oysters; everything. There is something really strange going on, and if I ask the restaurants that I have been going to for years, they say, "Oh, something's gone wrong, guv'nor," or maybe, "The sea's warmed up."

There is a real worry that something is going on in our seas and oceans, and I am particularly concerned. I have been interested in the marine environment for all of the 40-odd years I have been in Parliament. It is so essential, and I want to share with the Chamber something that really triggered my decision to be here. I also chair the Westminster Commission for Road Air Quality, which was taking evidence on air quality when suddenly one of the scientists said, "You know, a lot of nasty stuff comes off tyres and goes into the air, but the real pollution is what comes off tyres, stays on the road, and is washed into the gullies and ditches, and then into the streams and into the rivers and oceans." He said that most people think that tyres are made of rubber. There is some rubber, but there are also 32 chemicals in the average tyre. Those 32 chemicals are very sophisticated, some of them are very related to cancer, and all over the globe—not just around our coast—they are flowing into the seas and the marine environment.

As Members know, there are other pollutants—microplastics and other things—but we have had all these years of pollution, and these particulates are particularly poisonous for marine life. I hope that today we can put on record that we all want a marine environment where oysters, crabs and lobsters can thrive. I might also throw in the fact that, as some of us who know something about the history of London will remember—I do not know whether there are any London Members here—there used to be all sorts of different things in the river that people could buy and catch. I have to admit, though, that I was surprised when hosting a birthday party for my granddaughter on the Terrace in the summer to peer over the side into the Thames and see three seals swimming by.

Does that say something about the quality of the environment in our river? I am not sure, but it is certainly true that eels have disappeared from the river. Where have the eels in this country gone? When I was a very young man at the London School of Economics, I used to go to Eel Pie Island on a boat—eel pie was a very important dish—to hear this anonymous group

that I liked. I met the guy who started the group and used to go to hear them, before they had a name. Then this colleague of mine, a student at the LSE—well, his name was Mick Jagger—and his group got a name, and they performed as the Rolling Stones. What has happened to the eels and crustaceans in our marine environment? If there is one thing that I hope we can all agree on today, it is the serious poisoning effect all around our coast.

In his very good speech, the hon. Member for Totnes mentioned sewage. Even after being given enormous fines, Thames Water and Southern Water are still discharging tonnes and tonnes of sewage into our rivers, streams and seas. I am constantly pursuing Thames Water and the Environment Agency, which is very lax. So many of the places it should be monitoring around our coast, it is not monitoring efficiently and effectively, because it is under-resourced. This type of pollution, which is linked to cancer, will poison all of our marine environment. I hope we can do something about it.

2.56 pm

**Sir John Whittingdale** (Maldon) (Con): I congratulate my hon. Friend the Member for Totnes (Anthony Mangnall) on obtaining this debate. I echo an awful lot of what he said. There is enormous potential for the expansion of shellfish production in the UK.

I want to talk specifically about my constituency and echo some of the comments of the hon. Member for Huddersfield (Mr Sheerman). Looking around the room, I see that we have representation from Devon and Cornwall, Yorkshire, Scotland, and Northern Ireland. I want to talk on behalf of Essex, where oysters have been cultivated since Roman times.

When I was first elected to this place, I had the honour to represent part of Colchester, so I used to attend the Colchester oyster feast, with oysters from Mersea Island. I have always represented Maldon, where the Maldon Oyster Company is based. I had the pleasure of visiting its new depuration and packing plant in Cock Clarks recently. Restaurants across the great city that we are in now frequently have Maldon oysters on the menu.

The Maldon Oyster Company is doing well. The oysters are grown in the Blackwater estuary, which is a category B water. It has only exceeded that once in recent times. Various explanations have been put forward for that, with suggestions that it is to do with discharges from houseboats or seabirds, but my constituents believe—this is where I follow on from the comments of the hon. Member for Huddersfield—that it is due to the level of sewage discharge, particularly from development that is taking place.

My area, like many represented here, is undergoing substantial extra housing development, which is putting ever-increasing pressure on the sewerage companies. In my case, that is Anglian Water. When I talk to the company, it tells me that it monitors and is compliant with the requirements of its permits, and it is fitting new discharge monitors; 70% of my constituency has been fitted, and Anglian is confident of reaching 100%. But part of the problem is that the contamination affecting oyster production is not subject to monitoring outside of designated shellfish waters and bathing waters. While part of the Blackwater estuary is a designated water, other parts where oysters are grown are not.

[*Sir John Whittingdale*]

I recently held a public meeting in my constituency on the issue of the water quality in the Blackwater estuary. The hon. Member for Huddersfield mentioned the Rolling Stones. I invited an old friend of mine to participate in the public meeting, who I think will be known to the Minister. He was known to me in his previous capacity as the lead singer of the Undertones, who I saw perform on several occasions. He has now become a strident campaigner on the issue of water quality. While I do not always agree with Feargal Sharkey, he is doing an important job in raising awareness.

My contribution this afternoon is to pass on the request from my constituents at Maldon Oysters that there needs to be more monitoring, not just in specified designated shellfish waters, of such things as *E. coli* and bacterial contamination, which is not generally monitored, and that priority needs to be given to investment in the processing of discharge, perhaps through UV treatment of discharges that are close to shellfish waters. At the moment, Blackwater continues to grow extremely popular oysters that are enjoyed around the country, but there is concern that, if development continues at this pace without additional investment to ensure that the water remains uncontaminated by bacteria, that could one day be put at risk. I echo the point about the importance of maintaining water quality, which is essential if this extremely important industry is to continue to thrive.

3 pm

**Jim Shannon** (Strangford) (DUP): Thank you for calling me, Ms Elliott. I am pleased to be able briefly to highlight a few issues. I congratulate the hon. Member for Totnes (Anthony Mangnall) on his knowledgeable contribution. His delivery was almost as rapid as mine—although his abbreviations are much easier to understand. I thank him very much. I found out only this morning that the debate had changed, but when I saw it was on shellfish, I recognised right away—representing Strangford, as I do—that I could make a contribution on the subject.

DEFRA's figures indicate that we Northern Ireland, as I call it, produced more oysters than even England did in 2020, so it is important that we have an input in this debate. It is clear that this is yet another UK-wide fishing industry that needs improvement to balance the key goals of conservation and production.

Of course, the Minister knows that fishing and shellfish aquaculture is a devolved matter, but in Strangford we have a very active, thriving and economically viable industry, with Cuan Oysters. We have had it for a number of years—I cannot remember not having it in Strangford lough, to be truthful. I recognise the work that it does, the contribution it makes to the economy and the jobs that it creates.

I understand that the Department feels that it is inappropriate to develop a policy for a non-native species. However, I agree with the Shellfish Association of Great Britain, to which the hon. Member for Totnes referred, that Pacific oysters are not harmful, that they in fact increase biodiversity and that they can benefit native oyster populations by acting as a settlement surface. Why should anyone want to change that? The hon. Gentleman was right in his request to the Minister to seek to have the position overturned.

Worldwide, oyster reefs are generally considered highly desirable habitats, and there are many projects under way to create or restore them. Whether native or non-native, the fact remains that all oysters are equally good for the environment; they clear waters of algae, remove carbon and nitrogen, and increase biodiversity. Again, why would we want to change that successful process? Indeed, oyster farmers control the accessible wild stocks in their areas, making use of the resource and reducing the visible population. There is a strong argument to be made that, if we continue to restrict the UK industry, it will not stop the spread of Pacific oysters.

The popularity of Pacific oysters is growing in the UK, as evidenced by the demand for them, and that cannot be ignored. There are areas where oyster festivals attract tourism and economic growth. Many things come off the back of what the hon. Member for Totnes said. I agree with the APPG that we need a national policy that is realistic and pragmatic and that takes a holistic approach to the species. We need a better understanding of what is before us.

Another issue that I wish briefly to touch on is—this will not surprise anybody—the dreaded EU bureaucracy. My goodness! We never get away from it, do we? I know that we do not in Northern Ireland—I will not get into the Northern Ireland thing at the minute; that is a matter for the future. It is necessary to purify shellfish after harvesting in UK waters, as many of the waters around our coast are not deemed clean enough for shellfish to be consumed directly after harvesting. However, following Brexit, the EU will only accept shellfish that are already safe to eat, so the UK industry can no longer export produce for purification, even though the waters are the same.

I cannot understand what the difference is. It is a bit like it was for us in Northern Ireland when the EU said that we could not bring in plants and seeds, when the soil was the same on 31 December as it was 24 hours later. That policy has meant a dramatic fall in shellfish exports, with many businesses unable to operate at all.

**George Eustice:** The hon. Gentleman makes a very important point. The EU reversed its earlier position when it came to the export of depurated live bivalve molluscs, which is really quite outrageous. It told the Government, in the latter part of 2020, that that trade could continue and that it would just draft a new certificate, and then it just changed its position, inexplicably, in February.

**Jim Shannon:** I thank the right hon. Gentleman for his intervention; as always, he brings knowledge to the debate. That is part of the debate, and it is part of the evidence base that backs up the very point that the hon. Member for Totnes and others are making.

As with so many issues, that barrier to trade is not logical, but then when did anything logical come out of the EU? I say that maybe a wee bit cynically, Ms Elliott. There may be a few others here who agree, and there may be some who would say, “No, that's not entirely correct.”

**Mr Sheerman:** Will the hon. Gentleman give way?

**Jim Shannon:** If the hon. Gentleman intends to talk about Huddersfield, I am not sure, but I give way anyway.



**Mr Sheerman:** We will be divided on membership of the EU and the wisdom of leaving it, but does the hon. Gentleman agree that what we are debating—air quality, the marine environment and support for species—is something that we have to work with the rest of Europe on?

**Jim Shannon:** Yes, of course it is. The point I am making is that, very often—

**Julie Elliott (in the Chair):** Order. I remind hon. Members that this debate is about shellfish aquaculture and not the EU.

**Jim Shannon:** I stand corrected, Ms Elliott. Thank you for reminding us all of the real reason for the debate. The thing is that shellfish aquaculture is restricted by EU bureaucracy. The trade has existed for many years—it existed when we were in the EU and it exists now that we are out of it—and nothing has materially altered. That is the issue. There is no reason for the trade not to continue as it was before. Again, that is part of the issue.

The hon. Member for Huddersfield (Mr Sheerman) is right: if we could work together honestly, pragmatically and reasonably to try to find a solution, then I would say, “Yes, let’s do that.” But we will not find the UK Government causing any difficulties; we have to put the ball at the toe of the organisation that is responsible. The Shellfish Association of Great Britain highlights that DEFRA does not agree with the current EU interpretation of the regulations and has raised the issue at the sanitary and phytosanitary committee, but to no effect.

The Minister knows that I respect him greatly. He understands issues very clearly, and I know that he understands this one. I have no doubt that he will get behind the shellfish aquaculture sector, and the Shellfish Association, to ensure that a solution is found. This is not about negativity; it is all about solutions, and the Minister is a solution-led Minister.

I urge the Minister to progress this issue as a matter of urgency. We have the resource—when I say “we”, I mean this great United Kingdom of Great Britain and Northern Ireland—and that can be used to the benefit of everyone in Scotland, Wales and Northern Ireland, and in England—the mainland—as well. To realise that benefit, we must utilise the resource more effectively, and that can happen only if we can find a solution. Let us hope that the EU will give us that solution so that we in the United Kingdom can work alongside it.

3.9 pm

**Simon Fell** (Barrow and Furness) (Con): It is an honour to follow the hon. Member for Strangford (Jim Shannon); I have never done so before and it has been on my bucket list for a while. I congratulate my hon. Friend the Member for Totnes (Anthony Mangnall) on securing this important debate. I chair the all-party parliamentary group on shellfish aquaculture and he is its treasurer. He is definitely the Dastardly to my Muttley, which makes him the more intelligent one.

The Chamber has heard from Members from Devon, Cornwall, Yorkshire, Essex and Northern Ireland—and is now hearing from me, a Cumbrian. My home looks out on to Morecambe Bay, where hundreds of small fishers operate. There is a large oyster farm off Walney,

and in Barrow, quite surprisingly, we have one of the largest producers and conglomerators of live bivalve molluscs in the UK.

The sector is struggling, but it does not need to. There are huge opportunities; if it is managed well and given the tools it needs for growth, it could be a great British success story. It offers an almost unlimited and sustainable source of protein for us and for export markets. It offers a boon to our coastal communities—many of which, as we know all too well, are struggling—and it could be a guarantor of marine biodiversity. But it is hamstrung and held back. The tools to unlock it are within our grasp, and I urge the Minister to enable us to grasp them.

I would like to focus on three areas. My hon. Friend the Member for Totnes has covered them all, but I have learned during my two and a bit years in this job that original thought does not get you anywhere in this place, so I will repeat them. The areas are live bivalve molluscs, highly protected marine areas and pacific oysters. If we can unlock those three, the sector will be flying.

I turn to live bivalve molluscs. We operate under the same water testing rules as the European Union, but many of our European friends clearly interpret them differently. The trade and co-operation agreement means that we are unable to export grade B live bivalve molluscs without their having undergone depuration. That holds back the sector tremendously—when I talk to them, businesses in my area say that it is what they are most concerned about.

Of course, we can build up our home-grown depuration facilities. In fact we do, and I am grateful to the Department for Environment, Food and Rural Affairs for extending funding to some aquaculture businesses for that purpose. However, we really have to grip the core issue: the Food Standards Agency, which has taken an incredibly bureaucratic view of the testing regime. That is holding the sector back and has led to stagnation over the years. We have the same system and rules as elsewhere in Europe, but the UK interprets them the most strictly.

There is no evidence that our more restrictive system does any better in protecting public health. Given that measurements can change by the hour, the system of taking them monthly means that many fantastic local businesses are one bad measurement away from closure. That speaks to the really parlous state of the industry, and it needs to change. Our waters are not poor, but our system of measurement, and our ability and willingness to measure quickly, are poor.

We need to look at how our colleagues in Europe are interpreting exactly the same rules and to unashamedly copy them. Kingfisher Seafoods—the business in Barrow that I mentioned—supports about 100 family businesses in Morecambe Bay. The economic impact of failing to get this issue right will be devastating not just for that business, but for the 100 family fishermen, who have been operating for years.

The excellent Benyon review suggested that highly protected marine areas should not include commercial fishing. I strongly agree, but I do think that aquaculture businesses should be permitted to operate in them. Their inclusion in highly protected marine areas would aid biodiversity recovery as well as acting as an effective carbon sink. We should consider that closely; to my mind, it is a win-win.

[Simon Fell]

The third point is about Pacific oysters, which make up 95% of all UK-grown oysters. For some time they were classified as invasive but, as we have heard, they have become naturalised due to their prevalence. There is almost no chance of ridding our coastal waters of them and we would not want to. Our waters, of course, are linked to our European neighbours, who have correctly recognised Pacific oysters as naturalised and started harvesting them. What is the result? As my hon. Friend the Member for Totnes said, France's aquaculture sector produces 145,000 tonnes per year, compared with our 2,680 tonnes. The delta is enormous. By simply looking at this in a different way, we can see the scale of the growth on offer.

If DEFRA were to recognise Pacific oysters as naturalised across the UK, businesses such as the excellent Morecambe Bay Oysters on Walney in my constituency would be able to scale up. Others that are currently at risk of closure would be able to continue to operate and to leave the parlous state they find themselves in now. If we do not grasp this issue and change the language and terms that this sector operates under, we risk many of the most innovative businesses in the UK closing within the next few years. We have it in our gift to enable a viable and sustainable aquaculture sector, on which thousands of new jobs could rely and which would promote biodiversity and offer considerable trade opportunities.

Although I am too cheap to copy my hon. Friend the Member for Totnes and invite colleagues and the Chair to lunch, I would encourage them to take up his offer, because this is a story we should tell people about and that they need to learn about. It is a good news story waiting to happen. I hope the Minister will listen to the cross-party consensus on supporting this sector and help get things moving for it.

3.16 pm

**Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): It is a great pleasure to serve under your chairmanship, Ms Elliott. Let me start by congratulating the fantastic hon. Member for Totnes (Anthony Mangnall). He has been one of the pivotal members of my trade Committee over the last number of years. I might have spoken wrongly—when I say my trade Committee, I mean his trade Committee, as he has guided us, shaped us, positioned us and pointed us in various directions. He has a natural enthusiasm, and I say with all sincerity that today he brought the fantastic enthusiasm he has as MP for Totnes to this debate. For that alone, he should be congratulated.

The hon. Gentleman raised issues that are very important and dear to my heart, and he has given me a fantastic opportunity to point out the companies that operate in my constituency. If he is looking to supplement the production of Devon with any other shellfish, he could look to Macduff Shellfish in Stornoway; Kallin Shellfish in Grimsay, North Uist; Barratlantic in North Bay, Barra; Kilbride Shellfish in Ludag, South Uist; Kilo Shellfish, which often buys razor fish for the far east market; Islander Shellfish in Stornoway; William Stewart, again in Grimsay, North Uist; or PDK Shellfish. Of course, I have to mention MacNeil Shellfish—not close cousins, but on the Hebridean islands we are often very

related—Islay Crab, Sutherland Game & Shellfish, Norman Campbell, which does live shellfish for the export trade, and Hebridean Mussels, which is part of Loch Fyne Oysters. On Loch Fyne Oysters, I would gently say to Marine Scotland that it should look to help the company, which operates in my area, and to support the efforts it is making. When there are disputes, maybe one person being judge, jury and executioner is not the best way to proceed. I must also mention Raven Rock Sea Products, based in Lewis; Seaforth Mussels, in Scalpay, Harris; and Lewis Mussels, based in Lochs, in Lewis. While I am at it, I think I missed out Stellamaris Trading, Morrison Shellfish and Isle of Barra Oysters, which I am very indebted to for a number of points I will make later.

The hon. Member for Totnes touched on a number of things that have been echoed in my correspondence with Isle of Barra Oysters, namely the issue of Pacific oysters and the reality of their existence. Gerry MacDonald makes the very good point—I think somebody mentioned it in the debate—that it is not far from Cornwall to France, so any attempts on Pacific oysters will be in vain. They are important commercially. The hon. Gentleman mentioned the production of oysters—I think it was 3,000 tonnes in the UK and 145,000 tonnes in France. Gerry MacDonald tells me that 90% of that, or 130,000 tonnes, is consumed around the two weeks at Christmas in France and that the car producer Renault buy about 300 tonnes of oysters for staff. If anyone is looking for a job, they might want to go to Renault just before Christmas for a nice feed of oysters for Christmas dinner. Those are quite amazing statistics. France is, of course, a huge market for oysters.

The hon. Member for Huddersfield (Mr Sheerman) left no stone unturned—or no stone unrolling, given his mention of Mick Jagger. He made an important point about how interdependent different parts of environment are. The cars rolling around Huddersfield and everywhere else—I am not singling out Huddersfield—give off 32 chemicals from their tyres, which are inevitably washed into the oceans. That is a fantastic point, and we should dwell on it.

**Mr Sheerman:** I misled hon. Members a little. I have a Bill going through the House at the moment on tyres. There are some higher-standard tyres that are better, so the Minister could make a real difference very quickly.

**Angus Brendan MacNeil:** I utterly forgive the hon. Gentleman for using his intervention as an advertisement. After all, I mentioned many companies involved with shellfish in my constituency, so it is only just and right that he similarly uses the opportunity.

The right hon. Member for Maldon (Sir John Whittingdale) mentioned water purification, which has become an issue, particularly in recent years, since Brexit. He also mentioned a pop band: The Undertones. We have just left the “Rock Lobster” unturned—that is the only one we have left. We have certainly put every bit of music into this—the debate has gone almost like a symphony.

The hon. Member for Strangford (Jim Shannon) is never usually left out of any debate. I think I heard him ask when anything logical has ever come out of the EU. I do not know whether that was a criticism of Brexit. Did I mishear him? I definitely misheard him—I know what he was saying. The point is that the UK is now

trading like a third country and will have the barriers that third countries have. The trade and co-operation agreement helps, but a sanitary and phytosanitary agreement would help further.

The hon. Member for Barrow and Furness (Simon Fell) is the chair of the very distinguished all-party parliamentary group for shellfish aquaculture. I am sure he relays his august position to all his constituents in his constituency correspondence. If I am not a member, can I make an application?

**Anthony Mangnall:** Yes.

**Angus Brendan MacNeil:** Thank you. Reflecting the tone the hon. Member for Totnes took in his speech, my application has been expedited in record time.

The hon. Member for Barrow and Furness said that original thought in Parliament does not seem to get us anywhere, but I think he may be wrong when it comes to some areas of aquaculture. More power to his elbow as he carries on that noble pursuit.

Scotland's mussel production increased by 52%, to 8,590 tonnes, between 2020 and 2021, and oyster production was up 70% in the same period. Combined, their value was £9.8 million—up 61%. That is a success story. It is also a success story in this particular form of aquaculture. Oysters are kept in protective cages, as I have seen myself at Isle of Barra Oysters, and mussels hang from ropes, feeding on what passes by in the sea. In fact, they clean the sea, in many ways.

I am very much indebted to Gerard MacDonald of Isle of Barra Oysters, who said that Brexit has made export more difficult for him, and the import of specialist equipment more expensive. That is a very interesting point. He feels that Brexit has damaged the industry, limited prospects for expansion and hindered jobs in rural areas. He pointed out that Renault took much of the production. He said that France has huge production, but it imports a lot from Ireland, the Netherlands and England. He also points out that the Irish are now selling an awful lot of oysters directly to China at very good prices. He says that the cash is good for oysters from Ireland to China. We can learn from what is going on there, especially at this time of Brexit. Whether we are inside or outside the EU, that should not hamper our exports to China.

I am anxious to hear what the hon. Member for Cambridge (Daniel Zeichner) and the Minister have to say in reply to the hon. Member for Totnes, and I want to leave him time to wind up. Thank you very much for the opportunity to speak, Ms Elliott.

3.24 pm

**Daniel Zeichner** (Cambridge) (Lab): It is a pleasure to serve under you in the Chair, Ms Elliott. I, too, congratulate the hon. Member for Totnes (Anthony Mangnall) on securing the debate, on his introduction and on his account of the issues facing those working in aquaculture. I suspect I will cover much of the same ground, although possibly in a slightly different order and with a slightly different take on one or two points. I am, as ever, grateful to those working in the industry for their advice. In particular, I thank Mike Cohen of the National Federation of Fishermen's Organisations and David Jarrad of the Shellfish Association of Great Britain.

I hope the Minister will address four key issues. The first, unsurprisingly perhaps, is water quality and the Government's continuing failure to clean up our water. I very much enjoyed the observations from my hon. Friend the Member for Huddersfield (Mr Sheerman). The issue, of course, goes way beyond aquaculture. I am sure the Minister will be disappointed to hear that I am not going to re-rehearse all the arguments now; they are, I am sure, very familiar to him and his colleagues. With the recent heavy rainfall, we are once again seeing huge quantities of human effluent being pumped into the seas, including into shellfish areas, which are supposed to have mandatory protection, whether that is under the water framework directive or the legislation that we carry forward. That is unacceptable and it directly impacts fishermen and their livelihoods.

The right hon. Member for Maldon (Sir John Whittingdale) made that point very persuasively, and I heard it directly myself when I went to West Mersea last year. The shellfishermen were clear that it was an all-too-regular occurrence that effluent discharged into the sea and meant they had to stop work. That has a direct cost for them, and it would be an avoidable one if water companies had invested in improvement rather than pouring out money to shareholders.

The point was picked up by Labour's shadow Chancellor of the Exchequer, my right hon. Friend the Member for Leeds West (Rachel Reeves), when she visited the Fal Oyster Ltd fishery at Mylor in Cornwall last year. She told ITV News at the time:

"We just can't afford to lose industries like this. It is about the heritage of Cornwall, it's about what makes this place so special not just to people in Cornwall but to people all around the country. We need to hear and heed the warnings of fishermen here in Cornwall who are worried about water quality, who are worried about the impact that's having on their ability to sell their produce here and abroad."

She was absolutely right. I suspect that she is probably quite busy at the moment, but I ask the Minister to tell us what assessment the Government have made of the impact of poor water quality on the aquaculture sector.

If that is a relatively well-rehearsed discussion, the second issue is probably less familiar to those outside this room. It is the Government's attitude to Pacific oysters. The industry view is pretty clear, and its call that we should "love them" makes a strong case that they are good for farmers, the consumer and the environment. Its case is that, with a low-carbon footprint and with no requirement for external inputs, the cultivation of the Pacific oyster represents a sustainable method of producing high-quality marine protein while providing employment and economic activity in coastal communities.

Of course, not everyone agrees—we have heard observations on this from other communities—because it is not a native species. Natural England and others are concerned about the impact on the marine environment. They say that feral populations of Pacific oysters have become established in Natura 2000 sites, sites of special scientific interest and marine conservation zones. They say that monitoring conducted between 2012 and 2017 in the south-west showed a large increase in Pacific oyster density. There are concerns that colonisation by the species will have a negative effect on the designated intertidal features of these protected areas. They say that that has already contributed to some sites declining into unfavourable condition, because of the alteration



[Daniel Zeichner]

of the biotopes and therefore the loss of original biotopes that make up the protected habitat features within marine protected areas. They say that if populations are left unmanaged, the expansion of dense Pacific oyster populations will most likely reduce the extent of habitat features at the sites and could reduce species richness and change community composition, as well as the diversity of biotopes making up the habitat.

Therefore this is not a simple or straightforward issue. The industry argues—again, we have heard these points made—that with warming of the seas, attempts to cull the Pacific oyster are, frankly, unlikely to be successful, so it is better to manage and farm it. Although indigenous to western Pacific coasts, it is nowadays the world's most globalised shellfish, with cultivation occurring in more than 50 countries. It provides high-value crops in all continents. In Europe, production in France, Ireland and Spain dwarfs that in the UK. As we have heard, production in France is in the region of 100 times that in Britain and attracts significant Government support.

The industry is therefore unhappy that the UK Government seem to stand alone in Europe in acting against the species. David Jarrad, chief executive of the Shellfish Association of Great Britain, writes:

“Do we actually want a UK oyster industry? For too long, the government has been sitting on the fence, and the failure of successive governments to deliver a consistent national approach is leading to poor conservation outcomes, as well as hamstringing our oyster growers...It's time to get priorities straight, with proper leadership on this issue.”

There is the challenge to the Minister—the call for proper leadership.

The third issue, which returns us to more familiar ground, is the classification of harvesting waters. I was interested in the comments from the hon. Member for Strangford (Jim Shannon), but I promise I am not going to go there. We do things in a different way here—gold-plating, as the industry argues, compared with the way EU members do things, even though we supposedly work under the same legislation.

The Shellfish Association of Great Britain tells me that there is no evidence that our more restrictive system does any better than other countries' more permissive ones. Our system is based on taking one sample a month from waters that change on an hourly basis because of tidal flows. I am told that it has been shown that one sample is often entirely different from another sample taken from the same place at the same time. The test method has been shown to be more variable and less accurate than other approved test methods. The association argues that the system needs to be changed, to be more in line with other countries, so our industry is not disadvantaged.

I hear those points and have considerable sympathy with them. Again, we heard reference to the work of the Food Standards Agency. I would be grateful if the Minister gave his take on what the FSA has done so far, and what more can be done. Of course, safety always has to be highest priority, but it is fair to ask why our fishermen are being held to higher standards than their competitors. What is stopping him levelling the playing field?

**Mr Sheerman:** I always defer to my hon. Friend as the Member for Cambridge, expecting him always to know everything about everything scientific. Could he tell me

whether there is evidence that we are overfishing oysters? Is there a decline in stock? Should we stop? I have given up red meat. Should I also give up oysters?

**Daniel Zeichner:** I am terribly sorry to disappoint my hon. Friend: I do not know everything about everything. I would not pretend to do so, and must go away to seek advice on that question. I suspect that the Pacific oyster is plentiful, and there is plenty of opportunity to make more of it. I do not suggest that he needs to give up.

**Angus Brendan MacNeil:** The long list of companies from my constituency of Na h-Eileanan an Iar that I read out would encourage the hon. Member for Huddersfield (Mr Sheerman) to eat oysters and mussels, as well as a variety of other shellfish. I would also like to mention an advertisement that I missed out, which is that they are operating in class A waters probably all year round.

**Daniel Zeichner:** I am grateful for the intervention. Finally, I return to a familiar theme, which we discussed at length in the Chamber with the previous Secretary of State: trade with the European Union. Since Brexit, we have lost our main market for live bivalves, as it is now much harder to sell them from class B sites. As I recall, it was such a difficulty initially that the Government offered short-term help, while, as we have heard today, blaming it on the European Union.

**Anthony Mangnall:** Will the hon. Gentleman give way?

**Daniel Zeichner:** I thought the hon. Gentleman might not be able to resist the temptation.

**Anthony Mangnall:** I am sorry, but I will be brief. It is worth being clear on this, because there is not a broad amount of disagreement in this debate. We have not lost that market. Current export figures are going in the right direction. It is a case of our saying that more work needs to be done. Exports are reaching that market; it is not “lost”, as the hon. Gentleman termed it.

**Daniel Zeichner:** Well, it seems to me that there were some who lost their businesses at that time. I do not think we should shy away from that. I would like to hear from the Minister what has happened over the past couple of years, and what is being done to secure a negotiated solution, to reinstate that trade, which had been possible over many years.

In conclusion, the aquaculture sector is one with considerable potential. Labour will sell, make and buy more food here. That is good for food security, for jobs and, I would argue, for the local environment. More will be produced locally, and we will expect the public sector to source at least 50% of food locally.

It is hard to disagree that the fishing sector more widely felt let down after the many promises that were made to them about Brexit. The reality was much more bureaucracy, much more cost and, in some cases, the end of business. One of my first visits as a shadow Minister was to King's Lynn, where I met a processor who told me just how much extra work had to be done, contrasting the single form they used to fill in with the pile of manuals detailing how they need to proceed today. I have to admit that he cheerily told me it would all be worth it. I admired his pluck and optimism, but whatever one's view on the issue today, I hope the

Minister can explain what he and his Department are doing to reduce that bureaucratic burden, so that our fishermen can do what they do best, which is feed people, rather than fill in forms.

3.35 pm

**The Minister for Food, Farming and Fisheries (Mark Spencer):** It is a pleasure to serve under your chairmanship, Ms Elliott. We have had a wide-ranging debate, from Brexit to car tyres to pop stars. I fear that I cannot compete with some of the connections my colleagues have in that sector, although I have to put on record my connections to both Michael Jackson and George Michael, which go right back to the 1980s, when I first bought their records. I congratulate my hon. Friend the Member for Totnes (Anthony Mangnall) on securing the debate. His efforts and those of other members of the APPG for shellfish aquaculture are very much appreciated, and I thank all those who have made valuable contributions to the debate.

Aquaculture is a vital part of the United Kingdom's seafood industry, and shellfish aquaculture in particular holds an important place in our coastal communities. It supports local economies and provides sustainable, healthy, low-carbon food. The Government support the sustainable, industry-led growth of shellfish aquaculture. However, as Members have noted, there are challenges facing the sector.

Let me start by looking at export issues. The Government continue to challenge the restrictions imposed by the European Union on the import of live bivalve molluscs. It is my belief that the EU's decision only to import live bivalve molluscs that are already fit for human consumption is unjustified. It does not align with the terms of the trade and co-operation agreement. DEFRA continues to push the EU on this issue. We do not expect the EU to change its position any time soon, but we will continue to push it as robustly as we can.

**George Eustice:** My recollection is that the EU basically used an animal health certificate and just changed the wording to preclude live bivalve molluscs, so it probably does not require a legal change from the EU; it simply needs the EU to draft a particular type of export health certificate that would accommodate live bivalve molluscs. Given that there has been a slight thawing in relations with the EU following the discussions on Northern Ireland, does the Minister think this is something the chief veterinary officer could broach again?

**Mark Spencer:** I am grateful to my right hon. Friend for all the work he did as Secretary of State. I do not want to over-promise—I would rather over-deliver—but I recognise what he says about the changing relationship with the EU. Now that we have resolved the challenges with Northern Ireland, we are into a new phase of co-operation and working with our friends in the EU, and I hope we can continue to raise the matter with them and find a suitable conclusion that will help businesses up and down our coastline to export great-quality products to the EU as soon as possible.

**Mr Sheerman:** Would it not be better if we consumed more of our own oysters, rather than exporting them? I always thought oysters were rather boring in this country, and when I went to New Orleans, I realised

that they can do wonderful things with oysters there. Is it not about time that some of our chefs made oysters more interesting on the menu?

**Mark Spencer:** The hon. Gentleman will be aware of the political trap of a Minister saying, "Let them eat oysters", which I hope not to fall into. UK food producers in general, not only in the shellfish sector, are producing some of the highest-quality food anywhere in the world. We consume great amounts of that in the UK, but there are also opportunities to export at the same time. We should consume more UK-produced food as well as exporting to our friends around the world.

**Angus Brendan MacNeil:** Will the Minister give way?

**Mark Spencer:** I will give way, but I have to get through my speech at some point.

**Angus Brendan MacNeil:** The Minister and I go back quite a long way, and have had tug o' wars in the Commons in the past. The hon. Member for Huddersfield makes a serious suggestion. While the Minister was right to point out the dangers of being trapped by a headline in the paper, far too often, good food production is overlooked—in the west of Scotland, as I have mentioned, and in other places in the UK. It is even overlooked in the House of Commons. We cannot see production anywhere near this Palace, and if we cannot have it in Parliament, where can we have it? We should have it everywhere, and everyone should know about it and talk about it. It is a serious point, although I do see the media trap of raising it, as the Minister expertly pointed out.

**Mark Spencer:** I gently say to the hon. Gentleman that if he talks to the catering team in the House of Commons, he would find that they are very good at procuring UK-produced and locally produced food. If he goes to the Tea Room this afternoon, there is a fish pie on offer that I encourage him to partake in. It may well have Scottish fish in it.

Turning to shellfish classifications, yesterday I had the pleasure of meeting Susan Jebb, the chair of the Food Standards Agency. The FSA is a non-ministerial Government Department responsible for its own policies. I can report that the FSA is committed to delivering official controls that are pragmatic and proportionate while supporting the shellfish industry to thrive. The FSA will continue to work collaboratively with the industry to prioritise and implement improvements to shellfish classification protocols. It is a complex area, and it will take some time.

In making improvements, the FSA is drawing on Seafish's 2021 review of the application of official control regulations for shellfish production across the globe. To illustrate the impact of what the FSA has achieved in this respect, since 2021, changes made to the shellfish classification system have increased the number of class A areas in England and Wales from 26 to 40, and seasonal class A areas from 19 to 27. That means the EU market remains open to an additional 22 business, without increasing risk to human health. Ultimately, the classification of shellfish waters is dependent on the water quality, which is why DEFRA's ongoing work to improve water quality in England is so important.

[Mark Spencer]

Most English shellfish harvesting sites are class B. Water industry investments of nearly £200 million in improvements to assets that affect shellfish waters in England between 2000 and 2020 have prevented deterioration. We are looking for more improvement opportunities. Through collaboration with the Shellfish Association of Great Britain and the Environment Agency, DEFRA has identified 63 priority shellfish areas, where water quality improvement is considered feasible. We have asked water companies to make improvements in those areas and we expect to see this reflected in their plans.

The Pacific oyster is an important species for the shellfish aquaculture industry in England. I know that my hon. Friend the Member for Totnes contests its invasive, non-native status and has argued for the species to be considered naturalised. At present, Pacific oysters are classified as a non-native species in UK waters and are currently considered to be invasive. Evidence from Natural England suggests that they can alter habitats and ecosystems through reef formation, which can displace native oysters and have a negative impact on native biodiversity.

I am aware of the length of time that Pacific oysters have been in UK waters. I am keen to understand more about their impacts and benefits, and possible mitigations. As such, I will seek to meet with officials, regulators and scientists in the coming weeks to explore the matter further. DEFRA's policy position on Pacific oysters and the expansion of the industry was shared with the shellfish aquaculture APPG in August last year. I am happy to share with Members the fact that the Department seeks to balance economic and environmental considerations.

In short, north of 52° latitude, where it may be possible to reduce the rate at which Pacific oysters spread by limiting human assistance because they are currently less prevalent, DEFRA does not support the expansion of the Pacific oyster farming industry. However, DEFRA recognises that some Pacific oyster farms have operated in this region for many years, and to reduce the risk that the farms can pose to nearby MPAs, DEFRA supports regulators in the introduction of mitigating authorisation conditions where necessary. South of 52° latitude, both new applications and existing farms will be considered on a case-by-case basis, taking into account the impact on MPAs.

On support for the industry, it remains possible to export LBMs from class B waters to the EU, provided that they have been depurated prior to export. As well as working to improve water quality and free up trade, DEFRA has provided significant financial support to help LBM businesses continue to export and develop new markets. Under the fisheries and seafood scheme, DEFRA has supported the sector with over £600,000 in grants to 15 projects involving the construction or purchase of tanks for the depuration of LBMs. It also remains possible to farm Pacific oysters, and many businesses continue to do so very successfully.

**Angus Brendan MacNeil:** I am grateful to the Minister for giving way again. Given the earlier mention of oysters, mussels and filter feeders, I am not clear what impact they have on MPAs. I know that there are always bureaucrats and people who call themselves conservationists

with plenty to say on the issue, but they are usually more a hindrance than a help. I struggle to see what the impact is, and I would be grateful, if it is obvious, if the Minister could tell us. If not, he can write to us.

**Mark Spencer:** It is about reef formation and whether the reefs that are formed from those oyster communities have an impact. I am not saying that they do have an impact on marine protected areas; what I am saying is that we want to continue to monitor that to ensure that they do not have a negative impact on those marine protected areas.

In summary, it is clearly a difficult time for the industry. His Majesty's Government recognise the challenges that shellfish farmers face, and we will continue to work with the industry to address them. We have already set out how we can assist and how we are trying to help. However, we ask the industry to think seriously about its business models and how it can best adapt its operations to meet post-exit trading conditions and ensure its own long-term survival. As I noted at the start of the debate, aquaculture is a vital part of our seafood industry. I want it to thrive over the next few years, and I will continue to liaise with colleagues, help and support the industry, and move forward together.

3.47 pm

**Anthony Mangnall:** This has at times been quite a weird and tangential debate but, as I think I said in my opening remarks, it has not really been a debate—it has been a moment of violent agreement about the fact that we all recognise the opportunity for the sector and the fact that there is work that can be done. Let me sum up in a few ways.

First, I encourage all Members here to join the all-party parliamentary group on this topic. It is trying to push the right agenda—one that works with the industry. Secondly, I encourage Members to attend the Shellfish Association of Great Britain conference on 6 and 7 June—they would all be very welcome—in Fishmongers' Hall. It would be extremely interesting to hear how the Minister gets on with the chief veterinary officer on export health certificates and how the piece of legislation that will digitise our trade documentation would allow that to work. There is an opportunity for us to reshape the document that we use for global trade and trade with the European Union, which is important.

Thirdly, we would be very interested in hearing how the Minister gets on with officials regarding Pacific oysters and the progress he makes on that. The problem that I have at the moment is that they have been here for 100 years. Go to an oyster farm, mussel farm, scallop farm or clam site; pick up a rope of mussels—all that falls off is plankton, crab and small larvae of sorts. It is unbelievably enthralling and impressive to see the positive impact that that has on biodiversity. Finding a way to allow that to work with marine protected areas and highly protected marine areas would be of huge benefit, and would give a very strong signal to the industry. I hope that the Minister will listen on that.

We are grateful for the Minister's time. The opportunity is now. We have all raised these issues before, and we will strengthen his arm in whatever way we possibly can to make this a success and help the industry to grow.

*Question put and agreed to.*



*Resolved,*

That this House has considered shellfish aquaculture.

3.50 pm

*Sitting suspended.*

## **Levelling Up Fund: Tipton and Wednesbury**

4 pm

**Julie Elliott (in the Chair):** I will call Shaun Bailey to move the motion and then the Minister to respond. As is the convention for 30-minute debates, there will not be an opportunity for the Member in charge to wind up.

**Shaun Bailey (West Bromwich West) (Con):** I beg to move,

That this House has considered Tipton and Wednesbury and the Levelling Up Fund.

People across the Black Country, in Tipton and Wednesbury specifically—whether they live on the Tibby estate, the Lost City, Friar Park or the Woods estate—are proud of their communities and where they come from. I am proud to represent an area with a long tradition and a proud sense of community.

Our great Black Country towns of Tipton and Wednesbury have consistently felt like they have been left behind. When I was elected to this place three years ago, I made one simple pledge to them: I would ensure that they were never forgotten again. That has been at the forefront of the work I have done since I was elected as the Member of Parliament for West Bromwich West in 2019. Of course, we have to remember that in 2019, the current Government were elected on a manifesto to level up and invest in communities like those in Tipton and Wednesbury, and indeed across the Black Country.

We know that talent and genius are uniformly distributed throughout the country, but opportunity, wealth and standards of living are not. Unfortunately, in my area, we have acute issues and problems with standards of living and access to opportunity. It is vital that we close that gap. We know that as it widens, it will only compound the problems in communities such as the ones I represent. I want to talk about the importance of the levelling-up fund to the communities I represent, in particular the towns of Tipton and Wednesbury, and to tell the story of the process they have gone through on this journey, particularly in respect of the levelling-up fund.

First, we need to set the context. Look, for example, at employment opportunities. Sandwell Metropolitan Borough, the local authority area that contains my constituency, has an employment rate below that of the west midlands, and indeed Great Britain. In 2004, Sandwell's unemployment rate was 8.7%, compared with 5.2% in the west midlands and 4.8% nationally; in 2009, that unemployment rate rose to 14.4%, compared with 8.5% and 6.8% respectively. In 2022, unemployment in Sandwell stood at 6.2%, while the national average was 3.8%. Sandwell's labour market profile shows that the economically inactive rate in Sandwell is 10% higher than either the west midlands or the wider country.

Let us look at wages. In April 2022, median gross weekly wages in Sandwell were £470 for all employees, compared to £532.50 across the UK as a whole, and £549.80 for full-time employees, compared to £640 across the UK as a whole. On average, therefore, my constituents take home £90 a week less than the average person in the United Kingdom. Equally, we have to address education gaps. At early key stage 2, 55% of pupils attending state-funded schools in my local authority area achieve the expected standard, which is below the national average of 59% and the west midlands average of 57%. The gap continues to grow at GCSE level, where 61% of

[Shaun Bailey]

students attending state-funded schools in my area achieve a standard pass, which is below the national state-funded average of 69% and the west midlands average of 67%. It goes without saying that Sandwell is the eighth most deprived upper-tier local authority area in the country. One of my wards is, I think, the second most deprived in the west midlands region.

In setting the context of the importance of the levelling-up fund to my communities, we can see that the acute challenges and problems that I was sent to Parliament to address on behalf of my constituents and the communities of myself, my neighbours and friends are absolutely self-evident.

**Wendy Morton** (Aldridge-Brownhills) (Con): My hon. Friend is a true champion for his constituency. I find it rather sad that the Opposition Benches are absolutely empty today, even though we have MPs in this place from both major parties representing the west midlands. I rose to support my hon. Friend and to ask this: does he agree that the levelling up of opportunity is about not just his constituency, but all constituencies across the west midlands? We have strong local councillors in Walsall under the leadership of Mike Bird. They work with local MPs and our West Midlands Mayor, Andy Street, who is doing a fantastic job and has secured the devolution deal that he just heard about in the Budget. That is how we make the huge strides that my hon. Friend has been seeking to secure in levelling up the west midlands, but the work continues.

**Shaun Bailey:** I am grateful to my right hon. Friend for that intervention. It is as if she is clairvoyant—that is the point that I was about to come to. She is right; strong, local leadership is key. Although central Government funding is an important part of the tapestry of levelling up and investing in communities, strong and accountable local leadership, such as what we have seen from our West Midlands Mayor, Andy Street, is vital. He goes out there, bangs the drum and secures funding for our wider region.

I pay tribute to my right hon. Friend's council leader, the legendary Mike Bird. Many of us active in the west midlands have known Mike for some time—he beats the drum for Walsall incredibly. I pay tribute to the Conservative group leader on Sandwell Council, David Fisher, who does that too.

I turn particularly to the need for the levelling-up fund in Tipton and Wednesbury. We found that, until recently, the Labour administration in Sandwell did not have a plan for how they were going to apply for the funds. It is vital that local authorities have a plan—whether they are red, blue or any colour in between, it is important that we take such opportunities. At a recent Sandwell Council meeting, certain councillors were carping about not getting central Government funding when they couldn't even be bothered to apply for it, which is unacceptable. That is the hilarity of the situation.

One reason why I applied for this debate is that it is important for us to have a conversation about how to ensure that communities do not miss out on this funding through churlish party politics or sheer ineptitude—because people cannot be bothered or cannot manage multiple priorities. I acknowledge that this has got better recently, but at times my constituents have missed out not through

failing any test or any central Government requirement, but because the council literally did not put in the application. That is just astounding. The fact is that our communities miss out.

My right hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) made the point that Opposition Members were not here. That is unfortunate because what I am talking about must be built across the political divide. Among the 28 Members of Parliament representing the West Midlands Combined Authority area, there is a 50-50 split. It astounds me that there is not one Labour MP in this Chamber.

**Jane Stevenson** (Wolverhampton North East) (Con): I commend my hon. Friend for all his work. I know how hard he fights for his constituents. Even before we were elected to this place, he and I were both so passionate about the levelling up of the Black Country, and we were both elected on the hyper-local ticket of changing these communities. In Wolverhampton North East, we have seen Government investment into the city of Wolverhampton, and I welcome that.

I absolutely agree with him about the announcement of the devolution deal. Having Andy Street there to work with our Labour and Conservative authorities in the west midlands is key to the Government's pledge to level up. I ask the Minister to look at Wolverhampton's remaining levelling-up bid. Today's funding has gone to one of our outstanding bids in Bilston. I welcome that, but I ask her to look kindly on the one in Wolverhampton North East, our green innovation corridor, which will unlock more jobs. I want to ask my hon. Friend the Member for West Bromwich West (Shaun Bailey) if he will celebrate the devolution deal and admit that more has to be done to accelerate that. Our communities need the change very quickly.

**Shaun Bailey:** I am grateful to my hon. Friend for her detailed intervention and I endorse her comments. She raises a point made by our right hon. Friend the Member for Aldridge-Brownhills about the nuances of the west midlands; that is something I have found in my interactions on the levelling-fund in the context of the towns of Tipton and Wednesbury, which I am discussing today.

We cannot think that the West Midlands Combined Authority area is effectively one socioeconomic area. There are four sub-divisions: the Black Country, Birmingham, Solihull and Coventry, all of which have unique economic and social challenges. Of course, we have seen that in the roll-out of their own levelling-up opportunities in those areas. Indeed, in my conversations with the West Midlands Combined Authority—this is a point I pressed with the Mayor—I said we cannot have a strategy of levelling up in the west midlands based on the idea that if we level up Birmingham, it will spread everywhere else.

There is sometimes a risk in these conversations, and this is another issue my communities in Tipton and Wednesbury face, that people will think, "You can be part of the Greater Birmingham commuter belt zone." Well, that does not work because, as my hon. Friend the Member for Wolverhampton North East (Jane Stevenson) will know, communities in Wednesfield or Wednesbury could be as far from Birmingham as we are right now.

**Wendy Morton:** My hon. Friend makes the passionate point that we need an equitable share of levelling up right across the region. We are talking about not just

jobs and skills, but resources like the police, which is why I campaigned to keep my police station in Aldridge open, and transport. Having the city region sustainable transport settlement is equally important so that areas like my hon. Friend's can level up transport to enable people to go to work or to enjoy leisure and social facilities. That is why—forgive my indulgence, Ms Elliott—I must give a big plug to my train station in Aldridge, which I hope the Minister will now be aware of, although it is not in her portfolio.

**Shaun Bailey:** I am grateful to my right hon. Friend and to you, Ms Elliott, for your indulgence. The point my right hon. Friend makes is that we cannot take the levelling-up fund on its own. As I say, it forms part of a much wider patchwork of particularly capital investment into our area. She rightly references her active campaign to keep the Aldridge train station open. I have no doubt whatever, given her other successes such as the redevelopment of Ravens Court in Brownhills, that she will succeed. She has a record of delivery and a promise of more, as I am sure we have all seen on election leaflets.

I turn back to the importance of the levelling-up fund for Tipton and Wednesbury. The point about it being part of a broader patchwork is demonstrated. My local authority has been successful in securing other funding, such as £67 million from the towns fund. I secured £80,000 for flood defence in Tipton, £50,000 to deal with congestion on the A461 Black Country New Road, and £3 million for Wednesbury town centre as part of the heritage action zones. That all forms part of that tapestry with the levelling-up fund.

I say to the Minister that when we look at the levelling-up fund, and I know this was the case in the applications that went through, what I have mentioned should be considered as part of that process, but should not be to its detriment. I appreciate that with a lot of these bids there is a difficult balancing act. I know from interactions I have had with the Department that there has to be a balance between how we divvy out that part of the levelling-up fund, accepting that if areas have had significant funding, it can be difficult to give more and more when other areas have not had it. On Tipton and Wednesbury and the development in Tipton that was part of the recent bid, accepting the broader strategy, as my hon. Friend the Member for Wolverhampton North East alluded to, is important.

I turn to the specific bid for Tipton. In round 1 of the levelling-up fund, Sandwell Council—for some reason unbeknownst to anyone with logic—did not decide to submit a bid, but in round 2 we did. It had a focus on Tipton town centre. The rationale was based on the fact that Tipton town centre—Owen Street—was Tipton's beating heart. Tipton itself is a post-industrial town that still has a strong sense of community, and that has been its historical centre. The bid itself looked at a variety of different ways to level up the town centre, whether through regenerating commercial and residential premises or ensuring we had a residential offering in town centres. We have talked a lot in this place about the balance between residential and commercial and how we can reinvigorate our town centres through a residential offering, and that was a key part of the submitted bid as well.

Broadly speaking, my view at the time was that it felt like a good strategic fit for the town. It respected the history of the area and fitted very much with the aims

of the Government through the programme, ensuring the balance between commercial use and that we can truly see a return for the community on the investment put into these areas, and also complementing existing investment. I give Sandwell Council its dues—its engagement with me as part of that process was consistent and good, particularly given our recent challenges as a local authority with the introduction of commissioners at the council and a rejig of our senior leadership team. We could see how the changes from the fund could have an impact.

In winding up my remarks, I say to the Minister that the levelling-up fund presented a great opportunity. I was pleased by the Chancellor's announcement today that we will hopefully now see some investment in Tipton. We must ensure we continue to press forward this levelling-up agenda; it is part of a broader tapestry of work. I thank the Minister for the work she does in this space and for continuing the engagement to ensure we truly maximise this and tackle the acute problems I addressed at the start of my comments.

4.17 pm

**The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Felicity Buchan):** It is a pleasure to serve under your chairmanship, Ms Elliott. I congratulate my hon. Friend the Member for West Bromwich West (Shaun Bailey) on securing this important debate on Tipton, Wednesbury and the levelling-up fund. I also thank my hon. Friend the Member for Wolverhampton North East (Jane Stevenson) and my right hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) for their contributions—I will address them.

My hon. Friend the Member for West Bromwich West is a committed champion for his area and, importantly, a committed advocate of levelling up. Debates such as the one we are having are excellent opportunities to not only talk about the levelling-up agenda but engage with Members such as my hon. Friend, who does so much for his constituency and wants the very best for his area.

Local leadership matters: that is what the levelling-up fund, at its core, is all about. It is about backing local projects and initiatives that restore people's pride in the places they live and work and help to draw in new opportunities and investment. That is why the levelling-up fund is so over-subscribed. Round 2 was exceptionally competitive, with just under £9 billion of bids submitted for £2.1 billion of funding. That meant that we had a lot of high-quality shortlisted bids that we were unable to fund, including Sandwell's Tipton town centre regeneration bid. It is also why my Department has identified just over £210 million of unallocated departmental budgets that we are using to fund 16 high-quality regeneration projects, including the Tipton town centre bid, announced in today's Budget.

**Wendy Morton:** We have not touched on the regeneration of brownfield sites. Does the Minister agree that, particularly in the broader west midlands and Black Country, the levelling-up fund's use of regeneration funds for brownfield remediation and regeneration is crucial so that we can protect our green belt and build the precious homes that we all want?



**Felicity Buchan:** As my right hon. Friend alluded to, that is outside my portfolio, but I believe passionately in regeneration and the importance of prioritising brownfield land.

The £210 million that we announced at the Budget today is part of a much wider levelling-up package, which will further level up growth across the UK and spread opportunity everywhere. Other key levelling-up announcements include greater responsibility for local leaders to grow their local economies; over £400 million for new levelling-up partnerships for the 20 areas in England most in need of levelling up; a business rate retention expansion to more areas in the next Parliament; trailblazer devolution deals for the west midlands and Greater Manchester combined authorities, which include single multi-year settlements for the next spending review, alongside a commitment to negotiate further devolution deals in England; 12 investment zones across the UK, including in Scotland, Wales and Northern Ireland; and £8.8 billion over the next five-year funding period for a second round of the city region sustainable transport settlements.

The Government are investing a lot more funding in West Bromwich, to which my hon. Friend the Member for West Bromwich West alluded, specifically in Tipton and Wednesbury. The Black Country region benefited from over £217 million of local growth funding between 2014 and 2021. A few projects in my hon. Friend's constituency received direct funding, including the Opus Blueprint project in Wednesbury, which received £2.5 million.

Today, funding was announced for the £20 million Tipton town centre regeneration project, which will be a huge boost to the town. I thank my hon. Friend for his work on that. Meanwhile, West Bromwich, which sits within Sandwell Metropolitan Borough Council, has received towns fund deals for three towns, totalling £67.5 million—£25 million for West Bromwich, £23.5 million for Smethwick and £19 million for Rowley Regis. Beyond West Bromwich, levelling-up funds have been awarded for towns fund and future high street deals in Dudley, Wolverhampton and Walsall.

We recognise the need to improve connectivity in West Bromwich and the wider Black Country, and the £54 million for the reopening of two train stations at Darlaston and Willenhall will do just that. We have also allocated £25.9 million of capital funding to the West Midlands Combined Authority, including £13.6 million towards the Dudley-Brierley Hill metro extension. We recognise the importance that it will have in enabling faster access to the wider region.

Beyond Department for Levelling Up, Housing and Communities funds, Historic England has partnered with Sandwell to deliver an up to £3.6 million heritage regeneration scheme in Wednesbury, which will bring funding and opportunities to a large number of local shop owners, organisations and visitors. Today, the Department announced a new partnership programme, which will work with places in England that are in need of levelling up. I am pleased to say that Sandwell is

among the places we will work with. That will involve extensive local engagement, data gathering and focus groups to form a picture of a place and its challenges and opportunities. Through that process of engagement and analysis, obstacles to levelling up will be identified. That will be used to develop policy interventions to tackle those obstacles.

My right hon. Friend the Member for Aldridge-Brownhills talked about the trailblazer deal, and I want to spend a few moments on that, because I think it is significant. I am delighted to highlight the earlier announcement that the Government and the West Midlands Combined Authority have concluded negotiations on the trailblazer, deeper devolution deal, transferring more control and influence over the levers of economic growth and levelling up. The deal equips the Mayor and the combined authority with additional tools to realise their goal for their residents and businesses, and demonstrates levelling up in action.

For the first time outside of London, decisions about the affordable homes programme will be devolved, boosting housing supply, complemented by the devolution of £150 million for regeneration developments on brownfield land. The commitments in the deal will help to harness the commercial potential of public land in areas such as Tipton, Wednesbury, through to Brierley Hill and across the west midlands. The deal will also support wider levelling up through its business-retention and skills budget agreements.

Before I sum up, my hon. Friend the Member for Wolverhampton North East asked specifically about her proposal for the levelling-up fund round 2. I am afraid that, today, I cannot get into the specifics of individual bids, as she will understand, but I am happy to sit down with her and the relevant Minister.

Taken together, I believe that the policies and the political will are there to make levelling up a reality in every single part of the country, including, clearly, Tipton and Wednesbury. I want to work with Members across this House so that we can continue to press forward with this agenda. That is why I am glad to be the Minister at this debate.

The Government are committed to our levelling-up mission on local leadership, transferring more control and influence over the levers of economic growth and levelling up to local, empowered and accountable leaders, such as our Mayor Andy Street. The WMCA has also committed to greater scrutiny, including scrutiny by residents, by constituent councils, when requested, and by local MPs at regular sessions.

Together, we can transform the fortunes of places such as Tipton and Wednesbury. We can write overlooked towns and cities back into our national story, and we can shape a better, more prosperous future for our constituents across the country. I thank my hon. Friend the Member for West Bromwich West for calling this important debate, and for all his work on behalf of his constituency.

*Question put and agreed to.*

## Local Housing Allowance

4.30 pm

**Hywel Williams** (Arfon) (PC): I beg to move,

That this House has considered the Local Housing Allowance.

I am grateful and delighted to be able to lead the debate, and to do so under your chairmanship for the first time, Ms Elliott. I am glad to be here.

Housing represents a large cost to many people, but it is becoming increasingly unaffordable. The aim of the local housing allowance, of course, is to help those renting in the private sector, but it is becoming less and less effective because the level of support is increasingly out of step with the actual housing market. Since 2012, LHA rates have been decoupled from the 30th percentile of rents. Some hon. and right hon. Members will perhaps remember when it was coupled to the lower half of the market, rather than the lower third, but there we are—it is now the 30th percentile. Decoupled, it is instead uprated by consumer prices index inflation, 1% or even 0%.

That, in turn, has led to a growing gap between the actual rents that people pay and the amount of housing support that they can receive. It was therefore very welcome—but long overdue—when, in March 2020, in response to the pandemic, the Government increased LHA rates to realign them with the lowest 30% of rents at September 2019. Suddenly, we were returned to the status quo ante. However, that relief was very short lived: inexplicably, the Government froze LHA again in November 2020. Indeed, the Institute for Fiscal Studies said that the policy was

“arbitrary and unfair, and its consequences will only become more bizarre over time.”

Freezing the LHA has two broad consequences. First, the rise in rents is decreasing the amount of housing in the private rented sector available to those claiming housing benefits. Secondly, the support that low-income renters get with housing costs will be related not to the current level of rents in their area but rather to the rents of 2019. A moment ago, I used the word “inexplicably.” However, the Government’s thinking might well be quite obvious. Most commentators see it plainly as a short-term money-saving exercise—short term and short sighted, as the annual cost of maintaining the LHA level in cash terms was forecast to be £840 million in 2022-23, which would gradually fall to £345 million by 2025-26.

The alleged saving is illusory when one factors in the wider economic and social damage that the decision is causing. Previous analysis from Crisis showed that the annual cost of restoring LHA to the 30th percentile would be around £1.1 billion. That would in turn lift 32,000 people out of poverty and save a further 6,000 people from homelessness, which would produce savings of £5.6 billion—a cost of £1.1 billion, a saving of £5.6 billion. Some £5.5 billion of that saving would be on homelessness services, and £124 million on temporary accommodation. Over a three-year period, after the costs are deducted, that would save the UK Government £2.1 billion. That is why one must take the broader costs into account.

That sum is itself not to be discounted—it is a large amount of money—but most importantly, restoring the LHA to the previous level would save vulnerable people and their children from untold misery. That is the real gain. I would say it is unnecessary misery—unless, God forbid, we think that the cut in LHA is in fact an arm of disciplining the poor. Despite that evidence and the

growing pressure on the Government, it was bitterly disappointing to see them maintain a freeze on LHA in the 2022 autumn statement. Although I listened very carefully to the Chancellor’s jolly festival of optimism at lunchtime, I did not detect a single word of comfort about LHA.

Despite the housing benefit freeze, rents continue to rise. In the 12 months to January 2023, private rents, in Wales at least, increased by 3.9%, the highest annual percentage change since records began in 2010. The damage being done is quite clear. The Bevan Foundation reports that in the last month only six of the 22 local authorities in Wales had any properties available at or below the LHA rates. The actual numbers are stunningly bad. During the first two weeks of February, only 32 properties in Wales were available at or below LHA rates—just 32 properties for the entire country and just 1.2% of the properties advertised on the formal rental market. In my local authority of Gwynedd, 187 properties were advertised for rent, but only 10 were fully covered by the LHA rates. People should remember that Gwynedd is—if Members will allow me this term—one of the “better” areas, with 10. Many places have none whatsoever.

There is broad consensus across the housing and homelessness support sector in favour of unfreezing the LHA and restoring it to the 30th percentile. Voices such as Crisis, the Select Committee on Levelling Up, Housing and Communities, the National Residential Landlords Association and Welsh anti-poverty organisations—such as the Bevan Foundation, which did the research I mentioned earlier—say that, and I echo those calls. The Chancellor should unfreeze local housing allowance and uprate it to the 30th percentile of market rents as we begin to address the unaffordability of housing.

Last year, I asked the Government in a parliamentary question whether they had made an impact assessment of the decision not to uprate the LHA and about the impact on the proportion of homes available in Wales that would be covered in full by LHA. I was told that no such assessment had been made. That is making policy in the dark. If we do not know what we are dealing with, how can we make policy? I ask the Minister, given that the growing gap between real rents and LHA rates in Wales is plain to see, how the Government can justify not making such an assessment and whether she will do so? That seems to me to be an obvious step to take.

Such an assessment might highlight the way that the LHA freeze perpetuates homelessness and housing insecurity. The shortfall means that people claiming housing benefit are forced to move into properties that are not fully covered by what they receive from the DWP and, often, properties of terrifyingly poor quality. Many hon. Members will have seen the sorts of cases we get—I get them regularly—that involve houses that are essentially unfit for people to live in.

Crisis Wales has said that

“too many people and families are being forced into homelessness because housing benefit simply isn’t sufficient to keep a roof over their heads”.

It is a fundamental failure. Policy in Practice found that for every 10% increase in the number of households experiencing a gap between the LHA rate and rent, the proportion of households in temporary accommodation will rise by 1%. The cause and the effect are quite obvious, I think; there is a congruity and a causality there. There are just more people in temporary accommodation.

[Hywel Williams]

Between 2015 and 2022, the number of households that required assistance to avoid homelessness in Wales increased by approximately 9,000, while the estimated number of rough sleepers increased by 69%. The evidence is there if the Government choose to look; if they choose otherwise, and not to look—if they choose to pass on the other side of the road—they will of course not see it. The Bevan Foundation also notes that it is not a coincidence that this all took place at the same time as LHA rates were frozen. Even now, we can see a slow increase in homelessness, with 158 more people in temporary accommodation in Wales between November and December of last year. That is in just one month. I say again that that is at a substantial and unneeded cost to the public purse.

I have another question for the Minister. Will she now assess how much local authorities could save in housing people who are homeless by unfreezing LHA rates, to enable them to sustain tenancies? That is an obvious piece of research, and the answers would be illuminating.

Housing insecurity can also lead to further pressure on other essential costs, such as energy and food, with serious consequences for mental and physical health. That is likely to be one contributing factor in the shocking statistic that 61% of people in Wales report that their mental health is negatively affected by their financial position. The LHA freeze means that emergency discretionary funding, such as discretionary housing payments or DHPs, are being used to plug the gap. Again, Welsh local authorities spent the highest sum of their allocated DHPs in 2020-21. The latest data show they are on course to do the same this year, with a 4% increase in the number of DHPs being spent on local housing allowance shortfalls.

That is all in the context of austerity, of course, as the reduction in DHP funding available to Welsh local authorities in the last financial year amounted to a 27% cut, which follows a reduction in the previous year of 18%. The cuts resulted in the Welsh Government topping up DHP funds last year by £4.1 million. That is the knock-on effect. I again put it to the Minister that there is a fundamental problem when local authorities are using their emergency allocations, and the Welsh Government have to top up the funds due to successive cuts. Does the Minister think that is sustainable in the long term? I do not think so, but I am interested in her opinion.

The LHA freeze is not the only concern. When it comes to the calculation of LHA, it is important to note that the rates sometimes do not accurately reflect market conditions, particularly at the very local level. At present, there is no obligation on landlords to share information on rents they charge, which makes it difficult to secure a true overview of the local rental market. Furthermore, are the broad rental market areas used to calculate each area's LHA truly representative? They can encompass large areas with multiple rental markets within them. The gradient of change in the markets might be extremely steep, and might not take hotspots of high rent into account.

For example, in my constituency of Arfon we have Bangor University and a student population of 9,000, which is very large relative to the around 20,000 people

in the local area of Bangor itself. There might be a severe hotspot there. In more rural parts of north-west Wales, holiday lets might have a significant effect. In the south-east, the removal of the Severn bridge tolls has increased rents in places near the border, such as Newport. People live in the cheaper parts in Wales and drive over to Bristol for their jobs.

**Kerry McCarthy** (Bristol East) (Lab): The hon. Gentleman mentions Bristol, where this is a massive issue, which is the reason I have come to this debate. A recent inquiry by the Bureau for Investigative Journalism and a local newspaper, *The Bristol Cable*, found that there were virtually no properties with LHA rates available in Bristol, as he said is the case in his patch. I share his concerns; it is happening everywhere.

**Hywel Williams:** I agree entirely with the hon. Lady. As I said earlier, this affects the entire UK. Indeed, she might be clairvoyant, because I am going to refer that particular point in Wales. My concern, of course, is with Wales, where I know what is happening best. In Arfon, as I said, we have Bangor University and the holiday lets market, and then we have the Severn bridge.

I have asked the Department for Work and Pensions if it plans to undertake an assessment of the accuracy of the mechanism and metrics used to calculate the rate at which the local housing allowance is set and allocated in Wales, and the broad rental market area boundaries, if they are relevant. I was told that those boundaries are kept under review by the rent officers in Wales, and if they decide that a boundary should change, they can submit a review to the Secretary of State for consideration. I ask the Minister: have there been any applications by rent officers in Wales to request a review of broad rental market areas in Wales? I would be interested to know. I believe the BRMA mechanism should be devolved. Housing is already a devolved matter, as are other welfare services. There is a congruence between them, and a reasonable case can be made for them to be under the same authority. We could then redesign the mechanism to be far more responsive to local circumstances.

The local housing allowance is just one plank of the large-scale reform of the housing market. That is why Plaid Cymru secured the inclusion of a welcome commitment by the Labour Government in Wales to introduce proposals for a fundamental right to adequate housing for Welsh citizens, as well as an explanation of the role that a system of fair rents could play in making the private rental market affordable for local people on local incomes. There are also new approaches for making housing affordable. The devolution of housing benefit has a key role to play in that process. Had we control of the funding of housing benefit, we would then do things differently, such as repurposing some of the money into building more social housing. That would allow Wales to move from a model of subsidy to a rent system that subsidises supply. It is a straightforward move.

Welsh Labour has committed, in the co-operation agreements with Plaid Cymru, to advocate for the devolution of the administration of benefits. I asked the shadow Secretary of State, the right hon. Member for Leicester South (Jonathan Ashworth), if he would be prepared to pledge that. He said that I was inviting him to venture into choppy waters. I think that is quite true, but I will just bowl this one at my colleague on the



Labour Front Bench, the hon. Member for Westminster North (Ms Buck): will the Labour party in Westminster consider supporting devolving LHA to Wales, as Welsh Labour Members in the Senedd have asked?

To conclude, it is vital that the Government take action to end the housing crisis. Affordable, decent housing should be a right for everyone. Affordability is central to housing stability, and can then reduce stress and increase self-esteem, wellbeing, life satisfaction and a sense of security for people. It can also alleviate crowding, further reducing stress and the spread of infectious diseases. I call on the Government to take action now to address the affordability crisis by unfreezing the local housing allowance.

4.47 pm

**Sir Stephen Timms** (East Ham) (Lab): I am delighted to serve under your chairmanship for the first time, Ms Elliott. I congratulate the hon. Member for Arfon (Hywel Williams) on securing this debate.

On Monday, in Committee Room 5, the Joseph Rowntree Foundation launched its research on an essentials guarantee. It has tested public opinion and worked out the cost of absolutely basic, non-housing essentials in Britain today: food and non-alcoholic drink, electricity and gas, water, clothes and shoes, communications, travel, and sundries such as cleaning materials. That is the lot, and the Joseph Rowntree Foundation says that the cost of all that for a single person is £120 a week, which is £35 a week more than universal credit from next month. That is just for the minimum, basic essentials. It is absolutely clear why so many people have to go to food banks.

Quite a lot of people do not get the full rate of universal credit because of deductions of one kind or another. In addition to that, because of the subject we are debating, a growing number of people have to take money out of their inadequate universal credit payments in order to pay the rent. Local housing allowance often stops people on universal credit being paid housing support anywhere near to the amount of their rent. It is making life impossible.

Since LHA was frozen in 2020, after temporarily being restored to the 30th percentile, as the hon. Member for Arfon pointed out—it used to be the 50th before 2011—rent has risen sharply across the country. DWP data shows that by last August, 57% of private rented households in receipt of housing support had a shortfall between their benefits and the rent. That proportion is going up.

In July 2022, the Work and Pensions Committee published a report, “The cost of living”, which highlighted how support through the LHA was not keeping up with rising rents. The fact that housing support and current rents are so out of kilter—the hon. Member for Arfon referred to this—creates what the Institute for Fiscal Studies described as “bizarre consequences”. It gives an example, one of which affects the constituency of my hon. Friend the Member for Bristol East (Kerry McCarthy), stating that “the 30th percentile of rents in Bristol is £100 more than in Newbury. But the amount of housing support that those who live in Bristol can receive is £12.50 less than those who live in Newbury.” That makes no sense. The system has got completely out of touch with the reality.

Crisis told the Select Committee about research with Alma Economics before the pandemic, showing that a return to the 30th percentile would benefit the public purse by over £2 billion, because it would avoid councils resorting to more costly temporary accommodation.

The hon. Member for Arfon rightly made this point. In its briefing, the National Residential Landlords Association says that we should press the Minister, and I want to join the hon. Member in doing so. Have the Government worked out how much local authorities could save in temporary accommodation costs if the local housing allowance was back up at the 30th percentile?

The impacts are getting more severe. Shelter has warned this year that the

“continued freeze on housing benefits is pushing more and more private renters towards homelessness”.

The number approaching Shelter with rent arrears is up 30%. Crisis says that the

“affordability gap is driving homelessness”,

and reports that evictions from the private sector have more than doubled in the last year.

Government figures last month showed the first increase for four years in the number of rough sleepers, and in London there was a 34% increase. The Government say they are committed to ending rough sleeping, but their policies, and particularly this policy, are increasing rough sleeping.

People in households with a disabled person are more likely to be hit by LHA shortfalls. Paul Sylvester, head of housing operations at Bristol City Council, told our Committee in 2021 that half the households they saw with a shortfall included a disabled person. They were increasingly seeing disabled people forced to use their disability benefits to

“cover the rent top-up, rather than what they are meant for”.

Discretionary housing payments can be used by local councils to support households at risk of homelessness. This financial year, the DHP budget has been cut by 29%. Shelter has said—echoing again the hon. Member for Arfon—that a number of councils

“appear on the brink of running out of funding”.

There are 31 English councils that had spent over three quarters of their budget on DHP before winter began. They included traditionally low-rent areas such as Derbyshire Dales, Leicester, and Hinckley and Bosworth, which all spent over 80% of their annual allocation in the first six months. The east midlands, where they are all located, had the highest rate of private rent inflation in the last year, at just over 5%. In the north-east—your area, Ms Elliott—Sunderland, Gateshead and Northumberland all spent more than 90% of their DHP allocation by the end of September.

Sadly, today’s Budget has done absolutely nothing to help. The Government must stop turning a blind eye to such a very serious problem and recognise that local housing allowance must go up, at least to the 30th percentile. Once it has gone up to that, it needs to be kept there.

4.53 pm

**Jim Shannon** (Strangford) (DUP): It is a pleasure to serve under your chairmanship, Ms Elliott. I congratulate the hon. Member for Arfon (Hywel Williams) on securing this Westminster Hall debate. Northern Ireland has a totally different system, so I do not expect the Minister to answer any questions about Northern Ireland. This is a devolved matter on which the Assembly takes decisions. However, I want to support the hon. Member for Arfon by illustrating how the local housing allowance is causing similar difficulties in Northern Ireland. I put on the record that I concur with and fully support his comments

[Jim Shannon]

on the difficulties in his constituency and in Wales, as well as remarks of the right hon. Member for East Ham (Sir Stephen Timms) on the difficulties in England.

Housing allocation is done differently in Northern Ireland. The principle of shortfall housing allowance is a UK-wide issue, which is why I am here to support the comments. Almost 30,000 private renters in receipt of local housing allowance in Northern Ireland are facing a shortfall in their monthly rents. It is having a real effect. Among the biggest issues raised with my office are those of benefits and housing. If an issue combines both benefits and housing, that causes real difficulty. That is where I am.

I read an article this week that said that almost three quarters of housing benefit claimants living in private rented accommodation in Belfast are being charged more than their housing benefit allowance. This is replicated in Newtownards, the mainstay of my constituency, with a lack of one or two-bed properties meaning that people have to rent three-bed properties, which costs a lot for those on a smaller wage. In Northern Ireland and particularly in my constituency, rental accommodation costs far outstrip income and wages.

The local housing allowance in Ards is £83.53 per week, meaning a make-up of around £300 per month for those who rent accommodation. It takes a massive effort to squeeze the shortfall at a time when price rises are putting the pressure on. It is important to say that I recognise that the Government have taken many steps to try to help with the issue of price structures and increases, and I recognise the many good things that the Government have done. However, I think there needs to be a focus on this issue in particular, and I concur with the comments made by the hon. Member for Arfon and the right hon. Member for East Ham.

It is unsustainable for my constituents to have to make up £300 when the cost of gas and electric has trebled. Further information shows that in a workgroup covering Dunmurry and Lisburn—both in Northern Ireland—89.5% of claimants have a shortfall between the rent charged by their landlord and the applicable local housing allowance for the property occupied. That massive number indicates that this is an issue. Local housing allowance is used to calculate the level of housing benefit available to those living in the private rental sector. Over half of low-income renters—some 51%—surveyed across Great Britain in November said that their rent had increased. Research by Crisis on the cost of living provides a snapshot of the devastating impact of unaffordable housing. The hon. Member for Arfon illustrated that very well and evidentially in his contribution.

It is little wonder that we are in a housing crisis. In the past year alone, rents in Northern Ireland have risen at their fastest rate in 16 years, and have increased by an average of 11% across Great Britain. In the last year, listed rents in Scotland have increased by 13%, and by 15% in Wales. These are massive increases to try to keep track with. It has led to people applying for affordable social housing, which has in turn led to the Northern Ireland housing statistics for 2020-21 showing that some 44,000 people were on the Northern Ireland Housing Executive waiting list as of 31 March 2021. Of those 44,000, just over 30,000 are in housing stress. That means that three quarters of those people are in housing stress through attempting to address the issue of rent.

I will conclude, as I want to give the hon. Member for Neath (Christina Rees) the chance to participate. For me it is abundantly clear that if we address the issue by making the local housing allowance come close to covering basic rent, we will allow those who are working and able to cover a small difference to come off the list, thereby allowing those who need full rent coverage to access social housing. Families are under pressure and inflation has risen, along with the price of groceries, energy and fuel. The price of every single item has increased. I heard on TV this morning that every foodstuff has increased by between 17% and 19% in the last few months. The rates will increase again this year. That automatically results in an increase in outgoings, but the incomings simply cannot meet the cost. That is a fact.

I agree with the assessment made by Crisis, which did a case study of a lady who could make her rent payments but could not afford to heat her home or eat three times a day. This is the depth of crisis that homelessness statistics do not show—those who have walls but do not have a home. That has to be addressed.

4.59 pm

**Christina Rees** (Neath) (Ind): It is a pleasure to see you in the Chair, Ms Elliott. I congratulate the hon. Member for Arfon (Hywel Williams) on securing this very important debate.

Wales is facing a housing crisis because there is a shortage of affordable properties that people can purchase or rent. That shortage forces many low-income households to move into a property that they cannot afford, risking financial hardship, or into a property that is in poor condition, risking ill health, or to seek assistance from local authority homelessness services. The local housing allowance, introduced in 2008, is the amount of housing benefit, or the housing element of universal credit, available to those who are renting from private landlords. The amount of support provided is based on the area in which the individual lives and the number of bedrooms they require. There are a number of LHA determining factors, including allowing a tenant to rent in the cheapest third, 30th percentile, of properties within a market area, which depends on the location of the property—Wales is divided into 23 broad rental market areas—and on the number of bedrooms to which a household is entitled.

However, despite the good intentions behind the LHA, the scheme has been the subject of much criticism and controversy. In many areas, the LHA does not cover the full cost of renting a property, leaving individuals and families in a precarious financial situation. The issues have recently been exacerbated, as LHA rates have been frozen since 2020 at the level of 2018-19 private rental rates. Research by the Bevan Foundation found that in my Neath constituency, 51 properties were advertised for rent in February 2023, but not one property was covered by the LHA rate. Furthermore, the gap between market rents and the LHA rate in my constituency is £95.93 for a one-bedroom property, £113.33 for a two-bedroom property, £146.24 for a three-bedroom property and £251.45 for a four-bedroom property. That means that many people in Neath face the prospect of homelessness, with some being forced to choose between paying their rent and putting food on the table. That is an unacceptable situation that needs to be addressed urgently.

One solution to the problem is to increase the LHA rate for the area. That would provide much-needed relief to those who are struggling to pay their rent and would help to prevent homelessness. The Welsh Government have already taken steps to address this issue with the introduction of the Welsh housing quality standard and the Housing (Wales) Act 2014. However, more needs to be done. The UK Government must recognise the unique challenges facing areas such as Neath and take action to ensure that the LHA rates are sufficient to cover the cost of renting a property. That not only would help those who are struggling to make ends meet but would have wider economic benefits by reducing the number of people who are at risk of homelessness and supporting the local rental market.

However, low-income tenants may face more barriers when looking for properties in the private rental sector, and many may find them difficult or impossible to overcome. Examples are requirements for deposits of more than one month's rent, guarantors, credit checks, minimum income checks, and professional-only tenants. The Bevan Foundation found only 32 properties in Wales at or below the LHA rate. Twenty-three also had one or more of the barriers that I just mentioned. To put it another way, only nine properties fully covered by the LHA did not require one or more of the additional qualifications. Seven were in Cardiff, one in Ceredigion and one in Rhondda Cynon Taf; there was none in my constituency of Neath.

The local housing allowance is a vital scheme that provides much-needed financial assistance to those who are struggling to pay their rent, but current rates of LHA are inadequate in many areas, including my constituency of Neath. It is time for the UK Government to take action to address the issue, and to ensure that LHA rates are sufficient to cover the cost of renting a property. The Chancellor could have used his Budget today to uplift LHA rates to the contemporary 30th percentile, providing housing security and decreasing mental and physical illness among those struggling to pay their rent. By not taking action, the Chancellor has increased pressure on local authorities, which will drive up the use of temporary accommodation. He has not prevented homelessness, not supported the local rental market and not provided a brighter future for the people of Neath, Wales and the UK in their home.

5.5 pm

**David Linden** (Glasgow East) (SNP): It is a pleasure to see you in the Chair for this afternoon's proceedings, Ms Elliott.

As others have done, I commend the hon. Member for Arfon (Hywel Williams) for securing the debate, which is short but none the less important. We have had an interesting discussion, with thoughtful contributions from the right hon. Member for East Ham (Sir Stephen Timms) and the hon. Members for Strangford (Jim Shannon) and for Neath (Christina Rees).

The debate of the hon. Member for Arfon allows my party to place on the record our asks on local housing allowance rates. For example, we want to see LHA increased in line with average rents. Likewise, we have called on the British Government to support renters by suspending the shared accommodation rate for under-35s and care leavers, which I believe remains a massive social injustice.

As we know, in November the Secretary of State confirmed that LHA rents for the 2023-24 financial year

"will be maintained in cash terms at the elevated rates agreed for 2020-21."—[*Official Report*, 17 November 2022; Vol. 722, c. 24WS.]

My party has pushed the British Government to ensure that the approach to LHA rates does not go back to that taken by the pre-pandemic cuts, which made the private sector totally unaffordable for people in receipt of benefits in some areas, especially when we take cognisance of the long-term shortage of social housing that blights many of my constituents. We cannot have a conversation such as this without recognising the enormous damage done to social housing by the right-to-buy policy and the failure to build more social housing after that.

Ministers' decision to maintain LHA rates at cash terms in 2023-24 means a further freeze for private renters and places additional and needless pressure on tenants, which in turn adds to pressure on the discretionary housing payment funding pot. Through discretionary housing payments, my colleagues in the Scottish Government are supporting tenants who are under severe financial pressure. In reality, the Scottish Government are plugging some of the gaps caused by the crumbling of the UK social security system here in Westminster.

To highlight one particular example, since the introduction of the punitive bedroom tax, the SNP Government in Scotland have spent £350 million on mitigating it. That has been done by way of discretionary housing payments, which in effect means that the bedroom tax is not in operation north of the border. The hon. Member for Arfon will correct me if I am wrong, but the situation in Labour-run Wales means that the bedroom tax is not necessarily mitigated—something their colleagues in Scottish Labour often forget to mention in Holyrood.

Obviously it is great that SNP Ministers have chosen to act to protect people from the bedroom tax in Scotland, but it is just one of the many areas where the devolution framework comes under strain, as spending decisions in Scotland are frankly taken to paper over the cracks of poor welfare policy made here in London. The inescapable reality is that every penny we spend on the discretionary housing payment to deal with Westminster's heartless social security agenda is a penny less spent on devolved competences such as education, transport and health.

In summary, Ministers must do better and this Government must act urgently to improve some of the problems with local housing allowance that I and others have outlined today. Failure to do so, I am afraid, only highlights the need for Scottish independence, and for decisions about Scotland to be taken in Scotland—not to languish in the Whitehall in-trays of Tory Ministers the people of Scotland did not vote for.

5.9 pm

**Ms Karen Buck** (Westminster North) (Lab): It is a pleasure to respond for the Opposition under your chairmanship, Ms Elliott. I congratulate the hon. Member for Arfon (Hywel Williams) on securing this important debate. This is a niche issue for many people, yet it is so incredibly important. Rents are the single largest item in most families' budgets. Not being able to pay the rent has the consequence of forcing families into poverty and also risks homelessness, as we have heard—I will return to that point in a minute.



[Ms Karen Buck]

I wish that, just occasionally, we could have a debate such as this with more than one Department present—it would be a good experiment and brilliant to have that opportunity. It is absolutely impossible to consider local housing allowances in isolation from housing policy. The fact that the housing market is so fundamentally broken is driving the crisis in rents and unaffordability, and therefore the pressure on the local housing allowance. The attempt to bear down on the local housing allowance drives up homelessness and has consequences for other Government Departments. It would be good to be able to hold two Ministers to account for the policies they pursue and their two different agendas, which usually—and in this case—involve a toxic pass-the-parcel game of responsibility and blame, with consequences for both.

As we have heard, the Government have accepted the need to uprate benefits in line with inflation this year—indeed, they have been proud of that fact. I do not think that should be a cause for congratulation. It should be the most absolutely fundamental principle of social security policy, yet they completely fail to accept that that same principle should apply to the local housing allowance. I would like the Minister to explain exactly why in this one area of policy, which affects the largest item of a family's budget, the Government do not seem to believe that inflation exists. Of course, inflation does exist and, as we particularly heard from the Chair of the Select Committee, my right hon. Friend the Member for East Ham (Sir Stephen Timms), rents are soaring across the country, but probably most severely in London.

There are two consequences. First, over 800,000 households in the private rented sector face a shortfall between their rent and their local housing allowance. Some 57% of all universal credit households in the private rented sector have that shortfall. Secondly, dipping back into the issue of housing policy, it forces households into the absolute worst end of the private rented market. In this place, we discuss what has happened to households stuck in the poorest quality housing and the conditions that people are forced into if they are concentrated at the bottom end of the market, even if they can get it, have been a big media theme over the course of this winter.

Although we are discussing the freeze that has happened, in particular since 2020, this is also not a new phenomenon. Since the Government reduced the LHA from the 50th percentile to the 30th, there has been a continuing series of freezes, of which this is only the most recent. It was all based on the belief that the setting of the LHA levels would be bound in itself to influence rents, because it was understood or believed that such a large proportion of the private rented sector was funded by it. That was only ever partially true, or only true in some places, and always failed to recognise that even in a broad market rental area, there are different housing markets, and what applies to one part of the private rented market will not apply to others.

We know that the blind spot over the local housing allowance uprating can be seen in the homelessness statistics, as well as being felt by tenants in the shortfall between actual rents and the support available. There is an average monthly shortfall between rent and local housing allowance of £100 a month. It is indisputably

true that the shortfalls are driving tenants to lose their homes. The end of a private rented tenancy is the single largest contributor to homelessness almost everywhere in the country.

**David Linden:** Does the hon. Member agree that the Government have to look at the picture in the round? When someone is evicted from their home, it is ultimately the state that picks up the cost. We should consider local housing allowance a preventive spending measure and the Government are short-sighted on the issue.

**Ms Buck:** I absolutely agree with the hon. Gentleman that homelessness is a cost on the central Government budget and on local authority budgets as well.

We have seen homelessness soar. Rough sleeping is up by 74% since 2010 and by 26% in the last year; there has been an 83% rise in the number of children who are now living in temporary accommodation as a result of homelessness. One in 23 children in London is now homeless. The squeeze on local housing allowances is undoubtedly a major factor driving that situation.

I have no doubt that the Minister will refer to discretionary housing payments, but, as my right hon. Friend the Member for East Ham has made clear, they make only a tiny contribution towards the total cost of budget shortfalls. Those payments have been cut by one fifth in 2021-22, and again this year. In any event, they are restricted in various ways, including by the fact that they are only ever meant to be temporary, so they are not, and never can be, the answer to the fall in local housing allowance.

The poorest, the most vulnerable and those with the least bargaining power in a toughly competitive private rented market, among them families with hundreds of thousands of children between them, are forced to deal with evictions, with frequent moves, and with all the disruption that homelessness causes to education, employment and caring allowances.

As Policy in Practice demonstrated in an important research report yesterday, the broken housing market also drags a substantial number of higher earners and higher-rate taxpayers into means-tested benefits such as universal credit via the housing allowances system, which is a completely unintended consequence of the freeze.

Investment in social housing—a way of ensuring that those with the lowest incomes can enjoy secure and affordable homes—is by far the best solution to this crisis. A better managed private rented sector would also be good for tenants. We have been promised action on that for years but we are yet to see it. All of these things would be better for the public purse, too. In the meantime, freezes in the local housing allowance make no sense whatsoever and only serve to make a bad situation worse.

5.17 pm

**The Parliamentary Under-Secretary of State for Work and Pensions (Mims Davies):** I thank the hon. Member for Arfon (Hywel Williams) for calling this debate on the local housing allowance, which provides housing support for universal credit and housing benefit claimants in the private rented sector. I thank you, Ms Elliott, for presiding over this important debate; it is my first time here, too.

The Government fully recognise the importance of affordable, decent quality housing, as the hon. Member for Westminster North (Ms Buck) pointed out, which is why we have invested significantly to support those on low incomes, including private renters. All constituency MPs are focused on this issue, as has been alluded to this afternoon. We are grateful to our excellent caseworkers who support us and keep us informed about what is going on in our constituencies. I thank all the charities for all the positive work that they do in the sector. I will be visiting further innovative pilots and interventions on Monday to look and learn and see how we can really help the most vulnerable to progress, including some of the groups that have been mentioned this afternoon.

Acting on childcare, as we have done today, helping people to progress and earn more and helping people with energy costs will help with the wider challenges that many of our colleagues have spoken about this afternoon and all the constituents who have been impacted. The Government spent almost £30 billion supporting renters with housing costs in 2021-22. More widely, the Chancellor announced in the autumn statement a significant wide-ranging package of support to help low-income households struggling with the increased cost of living, which will of course include housing.

We recognise and acknowledge that rents are increasing. However, the challenging fiscal environment does mean that difficult decisions were necessary to ensure that support is targeted effectively. That support provides stability and certainty for households through the further cost of living payments for the most vulnerable for 2023-24, which I was pleased to bring forward myself. Around 8 million households on eligible means-tested benefits will get a further £900 pounds in payments in 2023-24.

**Hywel Williams:** Does the Minister accept the argument that I and other Members have made—that doing something about the local housing allowance would save the Government money in the round?

**Mims Davies:** I appreciate and understand the point that the hon. Gentleman is making, and I will make some further comments shortly.

Today's Budget has focused on more help so that people can be better off, to raise living standards and to improve lives. To the hon. Member for Westminster North and the right hon. Member for East Ham (Sir Stephen Timms), I say that this is a challenge that I am working on and that I am keen to rise to—across Government, as the hon. Lady says, and of course with the Department for Levelling Up, Housing and Communities. I say to anybody struggling today, whether with housing costs or other matters that are impacting them, that there is an opportunity to find out more on the benefits calculator website, in case they are missing out on any extra support. There is also the Help for Households website and the Job Help website. Of course, as has been mentioned, the benefit cap, working age benefits and disability benefits will also be uprated by 10.1% for 2023-24.

The household support fund extension provides an extra £1 billion of funding, including the Barnett impact. I met many local authorities yesterday afternoon to see how they are targeting that support—particularly on housing needs and costs, white goods and other things that might affect household budgets. The scheme will be backed with £842 million and will run from 1 April to

31 March 2024. It is right that devolved Administrations will decide how to allocate that Barnett funding. As we have heard, local authorities are expected to support those households most in need.

One of the Government's key aims is to support people into work and to progress in work where possible. That approach is based on clear evidence that, for those who can work, particularly where the work is full time, it substantially reduces the risks of poverty. We see real challenges, to which the hon. Member for Westminster North alluded: more single households, more single parents and family breakdown. The support that we are giving, because of global impact, means that the supply is all the more challenging. I agree with the hon. Lady that wider issues around cost and quality, which very much concern me, mean that this policy, the growing need and the focus are only getting larger. I agree that, in Government, the issue is very much about more than me; I am sorry that I am not enough this afternoon, but I will try to do my best.

Let me turn to some of the points made by hon. Members. On the decision to freeze, we recognise that rents are increasing. However, the challenging fiscal environment has led to where we are, and it is important that we target effectively. The Secretary of State will review the rates and the standard process annually. The hon. Member for Arfon raised the issue of quality. Discretionary housing payments can be made to help claimants with the costs associated with moving to a new home if there is a quality issue. Everyone rightly has the ability to get a safe and secure home. Landlords are key; we need them to come forward, to stay in the sector and to want to be part of the solution where they have already met the decent homes standard. Quality housing remains a priority for this Government, and of course there is currently a White Paper on that.

**Ms Buck:** On the point about people moving to alternative accommodation, in London just 4.2% of available private rented properties are below the local housing rate, and other examples have been given by other Members. Where are people meant to move to?

**Mims Davies:** I understand the point. That is why I want the quality to rise, rather than people feeling that they have to move. There is obviously a fall-back position.

The hon. Member for Arfon made a point about the broad rental market rates. Those are determined for Wales by rent officers in Wales. If the rent officers believe—I have just looked again at my local rates—that the boundary needs to be reviewed, as the hon. Member for Bristol East (Kerry McCarthy) mentioned, they can apply to the Secretary of State for change, but no reviews have been submitted by Wales. Local authorities can also request a review by contacting rent officers. It is up to the rent officer whether they will review it, but I think that is an important point for the hon. Member for Arfon to take away.

Obviously, there is the wider cost of living support as regards Welsh and indeed Northern Ireland devolution. The hon. Member for Strangford (Jim Shannon), with his typical empathetic tone and understanding, has brought real care to the debate, as usual. I recognise the hon. Member for Neath (Christina Rees), because I lived nearby in Neath for many years, and I very much welcomed the Welsh housing standard. I think that is

[Mims Davies]

exactly what we should be doing, rather than reducing things. I sense that the right hon. Member for East Ham is keen to come in.

**Sir Stephen Timms:** I am grateful to the Minister for giving way. I am pleased to hear that she is working across Government on the issue, and I wish her well with that. Can she tell us whether there has been an assessment of how much could be saved in the costs of temporary accommodation if LHA was raised back up to the 30th percentile?

**Mims Davies:** I hope to come that before I conclude my remarks. On the “no impact assessment” point made by the hon. Member for Arfon, we will publish an equalities analysis to the House of Commons Library, and I know the hon. Member for Glasgow East (David Linden) will keenly watch for that. On the recent question regarding shared rooms, there is an issue with the quality of data on room entitlements, so, if the hon. Member for Arfon writes to me, I will share with him further what I can best do to provide that.

**David Linden:** I am grateful to the Minister for giving way. I spent a bit of the afternoon reading the Government’s White Paper on health and disability, and have actually been very encouraged by one part of it that talks about the importance of transparency in decision-making processes in the DWP. Will the Minister confirm that there will be a change of culture now in the transparency and publication of some of these things, which, recently, some of us felt to be a bit murky?

**Mims Davies:** The hon. Gentleman points out the many questions he is asking about transparency, and I welcome that. Where policy is in development, we need to protect it, but, ultimately, if it needs to be transparent, I am very happy, where suitable, to share it.

On the point made by the right hon. Member for East Ham and others about temporary accommodation, it is, of course, an important way of ensuring that no family is without a roof over their heads. We are committed to reduce that need for temporary accommodation by preventing homelessness. We are investing £366 million into the homelessness prevention grant to support local authorities to prevent homelessness. The key point, and our main duty, is how best to support people so that they are not in that situation. I very much understand that, and I am keen to respond about how we are trying to do a little more about that.

It is important for Members to understand that the local housing allowance is not intended to cover all rents in all areas. In April 2020, in direct response to the covid-19 pandemic and the influx of new claimants because of the pandemic, we increased local housing rates to the 30th percentile of local market rates, costing nearly £1 billion and giving claimants on average an extra £600 in 2020-21. We have maintained that increase since then, ensuring that all those who benefited from the increase continue to do so.

I recognise that there are circumstances where extra help is needed, which is where we distribute the discretionary housing payments according to local need. Those payments play a critical role in providing support to the most vulnerable households in meeting their housing costs. Since 2010, we have provided nearly £1.6 billion in DHP funding to local authorities.

Of course, the competitive nature of the private rented market is driving up prices, alongside the annual review of LHA rates. I say to the hon. Member for Westminster North and the Chair of the Select Committee, the right hon. Member for East Ham, we are absolutely determined to work around the quality and supply challenges that are ultimately driving that. Overall, the DWP Budget measures today represent £3.5 billion over the next five years to boost workforce participation.

In conclusion—

**Julie Elliott (in the Chair):** Order. Very quickly, please.

**Mims Davies:** I will wind up. I take all the points from hon. Members from all around our wonderful nations today, and I am sorry I cannot tell them any more than that this issue is a very strong focus for me, and that we will continue, I hope, to work together for all our communities.

5.29 pm

**Hywel Williams:** I thank everyone who has taken part in the debate; we have heard some very powerful evidence. I thank the Minister for her replies, as well. We will not let this be. Can I also say that other Members would have been here? I neglected to say that my hon. Friend the Member for Cynon Valley (Beth Winter) would have been here, but she had to attend a family funeral. There is a great deal more interest than we see here in the Chamber.

5.30 pm

*Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(4)).*



# Written Statements

*Wednesday 15 March 2023*

## FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

### New Loan Guarantees: Support to Ukraine

#### **The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Leo Docherty):**

Today, I have laid a departmental minute which describes a new liability the Foreign, Commonwealth and Development Office (FCDO) are undertaking to support the economic stability of Ukraine following Russia's invasion in February 2022.

It is normal practice, when a Government Department proposes to undertake a contingent liability in excess of £300,000 for which there is no specific statutory authority, for the Minister concerned to present a departmental minute to Parliament giving particulars of the liability created and explaining the circumstances; and to refrain from incurring the liability until 14 parliamentary sitting days after the issue of the statement, except in cases of special urgency.

This departmental minute sets out details of a new liability undertaken by the FCDO. The liability is a further guarantee to support \$500 million of additional lending by the World Bank to the Government of Ukraine. This guarantee has an expected maximum exposure of up to £676 million—once interest payments are accounted for. The guarantees will be denominated in USD. I have separately notified the Chairs of the Public Accounts Committee, Foreign Affairs Committee and International Development Committee.

FCDO will guarantee both principal and interest repayments from Ukraine to the World Bank. A UK pay-out would be triggered if the Government of Ukraine miss a repayment by 180 days.

The exact length of the liabilities is linked to the terms of the agreed financing between the World Bank, and the Government of Ukraine. The World Bank's lending is expected to have a maturity of 29 years and a seven-year grace period during which only interest payments are due.

The war has placed huge pressures on Ukraine's economy, with a large and unmet fiscal deficit emerging across 2023. The international finance community, including development banks like the World Bank, have stepped in and are playing a key role in providing rapid and reliable financial support at a critical time. This guarantee will help the Government pay for essential services like salaries and social services and contribute toward Ukraine's economic stability.

Ukraine is currently undertaking an IMF programme known as a programme monitoring with board involvement. We continue to engage with the IMF and the Government of Ukraine to assess Ukraine's willingness and ability to borrow on the terms associated with World Bank lending. We understand that Ukraine will only make use of the UK guarantee if the lending is consistent with advice on debt sustainability and any limits agreed with the IMF.

HM Treasury has approved this guarantee. It is also normal practice that any contingent liabilities should not be incurred until 14 sitting days after Parliament has been notified of the Government's intention to incur a contingent liability. If any Member of the House has questions or objections, do get in touch.

A copy of the departmental minute has been placed in the Library of the House.

[HCWS635]

## WORK AND PENSIONS

### Health and Disability White Paper

**The Secretary of State for Work and Pensions (Mel Stride):** I would like to update hon. and right hon. Members on the publication later today of "Transforming Support: The Health and Disability White Paper".

This White Paper is a significant milestone demonstrating this Government's commitment to ensuring disabled people and people with health conditions can lead independent lives and fulfil their potential. It sets out an ambitious policy reform package that will transform the health and disability benefits system and help disabled people and people with health conditions to start, stay and succeed in work. This will help to deliver the Prime Minister's priority of growing the economy, creating better paid jobs and opportunity right across the country.

We set out our case for reform in "Shaping Future Support: The Health and Disability Green Paper", published in July 2021. During the consultation, we heard from more than 4,500 people and organisations on which proposals we should take forward. From the responses, we know many disabled people want to work and could work, with the right support. Our White Paper responds to those views.

We are proud of our record on disability employment and support. Last year, we surpassed our 2017 manifesto goal to see 1 million more disabled people in work—delivering our manifesto commitment five years earlier than expected. Our ambition remains to close the disability employment gap, and I will set a new disability employment goal.

The measures set out in this White Paper will build upon our achievements, unlock new opportunities, and support people most in need. With low unemployment and more than 1 million vacancies, we are focused on ensuring more people are supported into the workforce so that they can seize the opportunities of work and employers can access the skills they need to grow their businesses.

We will deliver action in these areas in three ways:

First, the Government will transform the future benefits system so it focuses on what people can do, rather than on what they cannot, including removing the work capability assessment (WCA). In our new system, there will be no need to be found to have limited capability for work, or limited capability for work or work-related activity, to receive additional income-related support for a disability or health condition. We will introduce a new universal credit health element that people receiving both personal independence payment (PIP) and universal credit will be entitled to, which will enable people to try work without the fear of losing their benefits. We will also introduce a new personalised approach to employment support and engagement, with the aim of helping people to reach their potential and live a more independent life. We will give people confidence that they will receive support, for as long as it is needed, regardless of whether they are working.

Secondly, we will invest in our employment offer to help more disabled people and people with health conditions start, stay and succeed in work and contribute to a growing economy. Our research shows that 20% of people with limited capability for work-related activity (LCWRA) on universal credit, or who are in the employment and support allowance (ESA) support group, would like to work at some point in the future. We are therefore investing in additional work coach time and tailored support to help disabled people to get the support they need to start work. We will continue to work with employers and the occupational health sector to help more people remain in work and reduce health-related job loss.

Thirdly, we will ensure that people can access the right support at the right time and have a better overall experience when applying for and receiving health and disability benefits. We are doing this by testing new initiatives to make it easier to apply for and receive health and disability benefits. This includes extending the enhanced support service, which offers support for those who find it hardest to navigate the benefits system. We are also testing a severe disability group which means people with the most severe health conditions can benefit from a simplified process without needing to complete a detailed application form or go through an assessment.

Our benefit reform proposals will take time to implement. They will require primary legislation, which we would aim to take forward in the next Parliament. These reforms would then be rolled out, for new claims only, on a staged, geographical basis from no earlier than 2026-27. We would expect the new claims roll-out to be completed within three years—so by 2029 at the earliest—when we would then begin to move the existing caseload on to the new system.

Throughout and beyond the work of this White Paper, we will continue to listen to, and work with, disabled people, organisations, charities, and experts, to ensure the voices of disabled people remain at the heart of delivering action.

I am certain that our White Paper reforms will support more people to reach their full potential and reap the health and wellbeing advantages of work.

[HCWS636]

# Petition

Wednesday 15 March 2023

## OBSERVATIONS

### ENERGY SECURITY AND NET ZERO

#### Park Homes Energy Support

*To the House of Commons,*

*The petition of residents of the United Kingdom,*

Declares that permanent residents of Park Homes, by virtue of the method in which their energy is provided through a single commercial meter, which is subsequently distributed amongst residents, are facing unprecedented energy costs; notes that the owners of Park Homes will receive support via the Energy Bill Relief Scheme and, by legislation yet to be introduced, will be required to pass this directly to residents; notes that the relief provided through the Energy Bill Relief Scheme is significantly less than that offered to domestic customers; further notes that residents of Park Homes are subject to commercial rates for their energy and pay substantially more per unit than domestic customers.

The petitioners therefore request that the House of Commons urge the Government to provide tailored relief directly to permanent residents of Park Homes; further urges the Government to work with regulators and energy providers to ensure that permanent residents of Park Homes are given the opportunity to switch to individually metered supplies at domestic energy rates at no cost.

And the petitioners remain, etc.—[Presented by Anne McLaughlin, Official Report, 7 December 2022; Vol. 724, c. 470.]

[P002785]

*Observations from the Parliamentary Under-Secretary of State for Energy Security and Net Zero (Amanda Solloway):*

The Government continue to develop options to support domestic consumers, including park home residents, on a non-domestic meter where they are facing lower levels of support than other domestic consumers after 31 March 2023.

As of 27 February 2023, park home residents can apply for support of £400 through the Energy Bills Support Scheme Alternative Funding (EBSS AF). This will be provided to households who are not supplied by a domestic electricity supply and who are not eligible to receive support automatically through the Energy Bills Support Scheme (EBSS).

In Northern Ireland, £600 support is being provided through the Energy Bills Support Scheme Alternative Funding for Northern Ireland (EBSS AF NI) to those households who do not have a domestic electricity supply and have not been eligible to receive support automatically through the Energy Bills Support Scheme and Alternative Fuel Payment Northern Ireland (EBSS AFP NI). This £600 is made up of the EBSS AF (£400) and the Alternative Fuel Payment Alternative Fund (AFP AF) (£200).

To apply, park home residents need to complete a short online application form on the gov.uk webpage which launched on 27 February. The application portal can be found by searching “Apply for energy bill support if you do not get it automatically (in Northern Ireland)” into the search bar on gov.uk or an internet search engine.

For those without online access, the contact centre helpline can be reached on 08081753287 (08081753894 in Northern Ireland), where a representative will guide them through the application process.





# ORAL ANSWERS

Wednesday 15 March 2023

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# PETITION

Wednesday 15 March 2023

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**not later than  
Wednesday 22 March 2023**

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