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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Wednesday 30 October 2024

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Council of Nations and Regions

1. **Richard Foord** (Honiton and Sidmouth) (LD): What discussions he had with representatives of the devolved Administrations and regions at the first meeting of the Council of Nations and Regions. [900902]

The Secretary of State for Scotland (Ian Murray): First, Mr Speaker, I apologise to you and the House for Scottish questions overshadowing other events today.

I was pleased to join the Commonwealth Games Federation last week to confirm that Glasgow will host the Commonwealth games in 2026. It will be yet another wonderful opportunity for Scotland to show how we put on world-class sporting events. I also visited the Sir Chris Hoy velodrome and spoke to the next generation of cyclists, who have been inspired by Sir Chris. I am sure that the whole House will wish to pass on their best wishes to him and his family. I also congratulate Scotland women's football team, who qualified for the play-offs yesterday after a 4-0 win over Hungary.

I was delighted to join the Prime Minister as he hosted the inaugural meeting of the Council of Nations and Regions at Queen Elizabeth House in Edinburgh earlier this month. We discussed opportunities for attracting long-term inward investment, stabilising the UK economy and creating good jobs. The council demonstrates our commitment to working together to deliver those priorities.

Richard Foord: It is essential that all the UK's nations and regions have a seat at the council of nations and regions, alongside Scotland, yet areas such as the great south-west, which is home to over 3 million people and has an economy of £80 billion, are being left out because we do not have metro mayors. Will the Secretary of State speak to colleagues in the Cabinet Office to ensure that, on the council, Scotland can work with all the non-mayoral regions of England?

Ian Murray: On 16 July, the Deputy Prime Minister wrote to all areas that do not have a devolution deal to invite them to come forward with a proposal. New mayors established through that process would be eligible to sit on the Council of Nations and Regions. I will make sure that the Deputy Prime Minister forwards that letter to the hon. Gentleman.

Chris Murray (Edinburgh East and Musselburgh) (Lab): It was brilliant to welcome the Prime Minister to my constituency for the first meeting of the Council of Nations and Regions. Following that meeting, are the Government committed to ending the decade and a half of austerity imposed on my constituents by the Conservative and SNP Governments?

Ian Murray: I was delighted to attend the Council of Nations and Regions, held in a Labour constituency in Edinburgh. I can assure my hon. Friend that our manifesto said "no return to austerity", and that is what we are determined to deliver.

Mr Speaker: I call the shadow Secretary of State.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): The trade union Unite has issued a joint letter from political leaders across the United Kingdom's nations and regions opposing Labour's cut to the winter fuel payment. That letter has been signed by every party at Stormont and by parties in Wales, and the Scottish Conservative leader Russell Findlay also signed it. Was the winter fuel payment even discussed at the Council of Nations and Regions?

Ian Murray: I thought that, with a full House, the shadow Secretary of State would have taken the opportunity to apologise for his Government not only crashing the economy, but leaving a £22 billion black hole. That is something this Government are determined to clean up. [Interruption.]

Mr Speaker: Order. We have not even got to the Budget yet, Mr Bowie, and you are already excited. Come on, Secretary of State.

Ian Murray: I hope that, in a later question, the shadow Secretary of State will apologise at the Dispatch Box to the country for crashing the economy, and to pensioners for what has happened to them as a result.

Space Sector: Scotland

2. **Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): What recent discussions he has had with Cabinet colleagues on support for the space sector in Scotland. [900903]

The Secretary of State for Scotland (Ian Murray): I was delighted to speak at the Space-Comm expo last month in Glasgow, where I met a wide range of industry members, both national and international, and recently I was fortunate enough to visit the Saxa Vord spaceport in Shetland, where I saw wonderful progress. I have also met representatives of Orbex in the hon. Gentleman's constituency, and will continue to champion Scotland's spaceports, including in Sutherland in his constituency.

Jamie Stone: The Secretary of State mentions Orbex. At present, it employs 125 people; by 2030, it could employ as many as 500. Is the Secretary of State willing to visit Orbex in Elgin and, indeed, the Sutherland space launch site?

Ian Murray: Elgin is certainly not the final frontier, so I would be very happy to visit. The Minister for Science recently visited the UK Space Agency's new office in

Edinburgh, and during that visit, he echoed my sentiments about the importance of Scotland's space sector. The Minister for Data Protection and Telecoms has recently met Orbex as well, and I will remain in close contact with my ministerial colleagues to ensure that we back the sector. I am very happy to visit when ministerial time allows.

Mr Speaker: I call the Liberal Democrat spokesperson.

Christine Jardine (Edinburgh West) (LD): As the Secretary of State knows, I recently had the opportunity to visit California with the Scottish Affairs Committee to look at how that state has created an environment that encourages new space projects. In Scotland, we have a unique opportunity, not least because of developments in Glasgow, but also because the University of Edinburgh is already well respected and part of the programmes at Stanford, New York University, Columbia and NASA. What will the Government do to encourage the creation of that sort of environment in Scotland, and will the University of Edinburgh, given its reputation, be central to that?

Ian Murray: Scotland will be central to the space sector, and I very much welcome the question. We will fully back the space sector, as I said to the Member for Caithness, Sutherland and Easter Ross (Jamie Stone). The Minister for Science has been to the UK Space Agency's new office in Edinburgh, and the Minister for Data Protection and Telecoms has met Orbex. I have met Orbex and been to Unst in Shetland to visit the spaceport up there. We will fully back this; of course, its potential reaches to infinity and beyond.

Inward Investment: Scotland

3. **Kenneth Stevenson** (Airdrie and Shotts) (Lab): What recent discussions he has had with Cabinet colleagues on encouraging inward investment into Scotland.

[900904]

The Secretary of State for Scotland (Ian Murray): I welcome my hon. Friend to his place; it was a wonderful election result in his constituency of Airdrie and Shotts. Investment in the UK to drive growth is the Government's No. 1 priority, and we have already started delivery on it. Just this month, we hosted an international investment summit, at which we announced £63 billion of shovel-ready investment across the UK. That includes the likes of Greenvolt's £2.5 billion investment in Scotland and Iberdrola's £24 billion investment in green energy. We also announced this week that Glasgow will host the Commonwealth games, which will bring £100 million to the city.

Kenneth Stevenson: I thank the Secretary of State for his answer. It is refreshing to see a Government working across Departments to ensure a pro-worker, pro-business and pro-growth approach that attracts inward investment. After years of Scotland being let down by two poor Governments, how does he see this new Labour Government approach benefiting my constituents in Airdrie and Shotts?

Ian Murray: The No. 1 benefit to my hon. Friend's constituents in Airdrie and Shotts will be that they have him for their Member, championing them. I am pleased

by his welcome for our approach. Airdrie and Shotts has a rich industrial heritage, and a modern industrial strategy will reignite the industrial and technological potential in all our communities. The national wealth fund and Great British Energy will help rebuild Scotland's industrial base. We want Scotland to be the most attractive part of the UK to invest in, and we will continue to work closely with the Scottish Government to make that a reality. I could not put it better than my hon. Friend did: pro-worker, pro-business and pro-growth—that is this Government.

Chris Law (Dundee Central) (SNP): Earlier this year, the UK Conservative Government promised a £20 million levelling-up partnership for my city of Dundee, for projects such as the university's life sciences innovation district, a new campus for Dundee and Angus college, and the Dundee Museum of Transport. Despite having written two letters in the last four months seeking assurances about the funding, I have so far not received a commitment to it, which raises concerns that Labour is about to renege on this commitment. Can the Secretary of State assure me today that these projects and the £20 million for Dundee will be committed to in full?

Ian Murray: The hon. Gentleman will not have to wait long. The Budget is in about an hour's time, and the Chancellor will lay out all the spending plans in that Budget. The biggest impact on his constituency of Dundee will of course be made by GB Energy, given what that will do to our green energy system; it makes me very surprised that nobody from the SNP voted to back the Bill last night.

Defence Jobs: Scotland

4. **Graeme Downie** (Dunfermline and Dollar) (Lab): What discussions he has had with the Secretary of State for Defence on the number of defence sector jobs in Scotland.

[900905]

Martin McCluskey (Inverclyde and Renfrewshire West) (Lab): The Secretary of State has regular discussions with the Ministry of Defence on supporting Scotland's defence sector, which makes a vital contribution to growth in both Scotland and the UK, and helps the UK remain safe in the face of current and future threats. The Secretary of State was pleased to visit the Babcock site at Rosyth dockyard recently with my hon. Friend, where he saw at first hand the fantastic work done there.

Graeme Downie: I thank my hon. Friend for that reply, and I congratulate him on his debut at the Dispatch Box this morning. As he mentioned, earlier this month the Secretary of State joined me on a visit to Rosyth dockyard in my constituency. Does my hon. Friend agree that the failure of the SNP to support the defence sector in recruiting the highly skilled workers it needs from my constituency and the rest of Fife is a damning indictment of the SNP's commitment to the security and prosperity of the people of Scotland? Will he reassure me that he will do all he can to ensure that the defence sector in Scotland contributes fully to the UK's security and future economic growth?

Martin McCluskey: My hon. Friend has been a champion for the defence sector in his constituency since his election, and I commend him for that work. I agree that it is

essential that any Government engage with the defence sector, not just because of the jobs created across Scotland, but because of the vital technology that the sector is developing. There is a real opportunity to create and retain skilled work in Scotland, and all of us have a responsibility to promote that as much as possible. I am happy to reassure my hon. Friend that the Secretary of State for Scotland and the Government will continue to champion the defence and manufacturing sectors in Scotland.

Arts Funding: Scotland

5. Jess Brown-Fuller (Chichester) (LD): What recent discussions he has had with the Chancellor of the Exchequer on funding for the arts in Scotland. [900906]

Martin McCluskey (Inverclyde and Renfrewshire West) (Lab): The Scotland Office is committed to championing Scottish arts, and regularly showcases the sector's significant cultural and economic contributions to UK and Scottish Government Ministers. In the Budget later today, the Chancellor will set out her spending decisions, and those will allow the Scottish Government to make their own spending decisions on devolved matters, including arts funding.

Jess Brown-Fuller: I was glad to hear the Secretary of State celebrate events in Scotland in his opening remarks. Scotland, and the UK in general, boasts one of the world's leading arts industries, and we have the notable Edinburgh Fringe festival, but it faces funding pressures due to Government cuts and increased Brexit red tape, which complicates travel to Europe. British artists are being shut out of European markets, which hinders their ambitions and success. What steps is the Minister taking with other Departments to ensure that a thriving arts sector is unimpeded by Brexit red tape?

Martin McCluskey: The hon. Lady has a background in performing arts, and brings her experience to this House. I agree with her: Scottish artists are world-renowned, and it is important to them and to promoting Scottish culture around the world that they can perform internationally. We are supporting Scottish artists, and continue to work to help our musicians tour, including through the Government's successful music export growth scheme, the international showcase fund, and the Department for Business and Trade's internationalisation fund. We are engaging across Government with the EU and member states on how best to improve arrangements for touring in Europe without a return to free movement.

Tracy Gilbert (Edinburgh North and Leith) (Lab): Since being elected, my hon. Friend the Member for Edinburgh East and Musselburgh (Chris Murray) has secured a Westminster Hall debate on the culture and economic contribution of the Edinburgh festivals—the first debate on the subject since 1992. Does my hon. Friend agree that that highlights the SNP Government's shameful treatment of the Scottish creative sector, and can he outline what the UK Government will do to secure the future of the industry, and support thousands of Scottish writers, artists and performers?

Martin McCluskey: I welcome my hon. Friend's comments, including those about my hon. Friend the Member for Edinburgh East and Musselburgh (Chris Murray). I was

pleased to attend his debate in Westminster Hall, at which those issues were discussed. The UK Government have supported creative industries across Scotland, including in the city of my hon. Friend the Member for Edinburgh North and Leith (Tracy Gilbert), with £8.6 million for the Edinburgh festivals, £2 million of capital funding for the King's Theatre in Edinburgh, and £5 million of capital funding across Scotland for the Burrell Collection. Millions more have been committed to Falkirk arts centre through the Falkirk and Grangemouth growth deal. We will continue to support arts and culture across Scotland.

Government Industrial Strategy: Scotland

6. Kirsteen Sullivan (Bathgate and Linlithgow) (Lab/Co-op): What discussions he has had with the Secretary of State for Business and Trade on the potential impact of the Government's new industrial strategy on workers and businesses in Scotland. [900907]

The Secretary of State for Scotland (Ian Murray): The crisis that we inherited from the previous Government is not just fiscal but industrial, because neither the previous Government nor the SNP had any proper industrial strategy for Scotland. Our industrial strategy will deliver certainty and stability, which businesses need in order to invest in the high-growth sectors that will drive long-term sustainable economic growth. Well-paid jobs are at the heart of our modern industrial strategy, which is complemented by our plan to make work pay. Our strategy is clear: as a Government, we are pro-business and pro-worker.

Kirsteen Sullivan: The new industrial strategy identifies creative industries as a key sector for UK growth. My constituency is a popular setting for film and TV productions, including the Lockerbie film and "Outlander", as well as hosting the Pyramids studios. As film and TV make an increasingly important contribution to my constituency's economy, what steps are the Government taking to support investment in the creative industries in my constituency?

Ian Murray: My hon. Friend mentions "Outlander", which was filmed in Bathgate and Linlithgow, as well as the Lockerbie bombing film starring Colin Firth. The film "Damaged" is in production there. It stars Samuel L. Jackson—I hope he did a few leaflets for her while he was in her constituency. The creative industries are a jewel in Scotland and the UK's crown, and there is the independent film tax credit announced earlier this week by my right hon. Friend the Secretary of State for Culture, Media and Sport. Films with distinct homegrown content and talent meet the criteria for that new relief. Productions eligible for the tax break must have a UK writer or director, or be certified as an official UK co-production. That shows that this Government are determined to back our creative industries, and to continue to grow our film and TV industries.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): Does the Secretary of State share my anger and disappointment that the SNP Scottish Government dogmatically continue to block new nuclear developments in Scotland, depriving my constituency of important jobs and economic prospects? What can

he do through the industrial strategy to ensure that we at least take advantage of decommissioning and supply chain opportunities?

Ian Murray: I have never known the right hon. Gentleman to be angry or disappointed, but I share his anger and disappointment. This Government back our industry. Nuclear will be a major part of the energy mix going forward, and we need to ensure that we have the right balance. GB Energy has been set up, and the related Bill passed Third Reading yesterday. I am disappointed that neither he nor the SNP voted for it, but that is the vehicle through which we will take these issues forward.

Economic Growth: Scotland

7. **Adam Jogee** (Newcastle-under-Lyme) (Lab): What recent discussions he has had with Cabinet colleagues on supporting economic growth in Scotland. [900909]

The Secretary of State for Scotland (Ian Murray): I welcome my hon. Friend to his place. The Budget, which will be announced by my right hon. Friend the Chancellor shortly, will herald a new era of investment and growth in Scotland. In our first 100 days, we announced the headquarters of GB Energy in Aberdeen, launched the national wealth fund and announced the biggest upgrade of workers' rights in a generation.

Adam Jogee: Newcastle-under-Lyme is home to many people who left Scotland to build a life, such as my constituent Lee-Bernadette Walford. Can the Secretary of State outline how resetting the relationship between the UK and Scottish Governments is important for economic growth up and down our United Kingdom?

Ian Murray: We do not agree with the Scottish Government on everything—or, indeed, very much at all—but Scots expect us to work together to produce results, and that is what we have tried to do. Yesterday I had my regular meeting with the Deputy First Minister, and this morning I spoke to the Finance Secretary ahead of the Budget. Economic growth is a key area, and I am delighted to highlight shared work on energy, our bringing the Commonwealth games to Glasgow, and the jointly funded £100-million package for the Falkirk and Grangemouth growth deal. Our long-term economic strategy requires the Governments to work together. The Prime Minister and the First Minister have been clear that that is what we are determined to do.

Pete Wishart (Perth and Kinross-shire) (SNP): The Secretary of State boasted of a £150-million investment fund, only to contradict himself, bizarrely, and say that no such figure existed. Is this Scottish Schrödinger's funding? Is it perhaps the levelling-up fund referred to by my hon. Friend the Member for Dundee Central (Chris Law)?

Ian Murray: I am surprised that the hon. Gentleman was keen to ask a question, given that he did not apply for one in the shuffle—nor did any other SNP Member. It is also surprising that he, with all his experience in the

House, wants to spend his time in this new Parliament defending the previous Tory Government's reckless gambles with the economy.

Mr Speaker: Order. I do not know whether the Chair of the Select Committee is standing or not. Do you want to come in on this question?

Patricia Ferguson (Glasgow West) (Lab): Yes, thank you, Mr Speaker. Does my right hon. Friend the Secretary of State agree that the Drumchapel levelling-up fund bid and the project that would follow from that would be a good way to promote the economic and social growth of the area?

Ian Murray: My hon. Friend has been a doughty campaigner for the Drumchapel project. She will not have long to wait, as the Chancellor will come to the Dispatch Box shortly and announce the Budget. I am hopeful that all these projects, including some of the anti-poverty projects that my hon. Friend has championed for years in her constituency, come to pass.

Jim Shannon (Strangford) (DUP): When it comes to promoting economic growth in Scotland, it is clear that the best way to do that is from within this great United Kingdom of Great Britain and Northern Ireland. What is the Minister doing to make that happen, and to convince my SNP colleagues sat in front of me of the best way forward?

Ian Murray: The best way to keep the United Kingdom together is to make sure that this is a successful UK Labour Government, and that is what we are determined to do. May I point the hon. Gentleman to the row in front of him? There are nine SNP MPs left, and we have 37 Scottish Labour MPs. That is how we protect the Union.

Mr Speaker: I call the shadow Secretary of State.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): The Secretary of State said at the weekend that the Labour Budget

“will herald an era of growth for Scotland”,

but what is going to grow? Is it the tax burden on hard-working Scots, the number of pensioners choosing between heating and eating because they have not got their winter fuel payments, or the number of Labour broken promises? Or will we get all three this afternoon?

Ian Murray: The hon. Gentleman had a second opportunity to apologise for the Conservative party crashing the economy, and the dreadful £22-billion black hole that we inherited, which was hidden from the Office for Budget Responsibility. I ask the shadow Secretary of State to reflect on that before he asks his questions. Of course, he will not have long to wait to find out, as the Chancellor will be here shortly.

John Lamont: There were no answers in that response. Not so long ago, the Secretary of State said that a national insurance rise would have “an enormous impact” on businesses. He also said that

“under Labour, National Insurance wouldn't go up”.

Tax rises, economic damage and broken promises—are this Labour Government not just the same as the SNP?

Ian Murray: I thought the shadow Secretary of State was just describing his previous Government.

Employment Rights: Scotland

8. Blair McDougall (East Renfrewshire) (Lab): What recent discussions he has had with the Secretary of State for Business and Trade on supporting employment rights in Scotland. [900910]

Martin McCluskey (Inverclyde and Renfrewshire West) (Lab): My hon. Friend will know that the House recently gave the Employment Rights Bill its Second Reading. Shamefully, the Conservative party opposes the Bill, which is the biggest upgrade to workers' rights in a generation. The Government are taking a joined-up and collaborative approach to the delivery of the plan to make work pay, which has been developed with businesses and trade unions. We are committed to continuing that approach through consultation on the plan's implementation, to ensure that the changes we are making work well for both employees and businesses.

Blair McDougall: I am sure the whole House will join me in congratulating my hon. Friend the Member for High Peak (Jon Pearce) on the birth of his daughter Connie. [HON. MEMBERS: "Hear, hear!"] As my hon. Friend enjoys his paternity leave, I am sure the Minister will be familiar with the Dad Shift campaign, which seeks to increase paternity leave for more fathers. Will he support that campaign so that more fathers can enjoy paternity leave, in addition to the tens of thousands the Government have already opened it up to, and does he agree that that is a huge contrast with the Conservative party's spending its time talking about getting rid of maternity leave?

Martin McCluskey: I send our congratulations to my hon. Friend the Member for High Peak (Jon Pearce) on the birth of his daughter, and I agree with what my hon. Friend the Member for East Renfrewshire (Blair McDougall) said. That is why we are making immediate changes to paternity leave through the Employment Rights Bill. We are making paternity leave available from day one in a new job and enabling it to be taken after shared parental leave. I pay tribute to my hon. Friend for his vigorous campaigning on this issue. I am sure that, like me, he was delighted to vote for the biggest upgrade to workers' rights in a generation, which the Conservative party shamefully opposes.

John Cooper (Dumfries and Galloway) (Con): One of the criticisms of the employment legislation that is being brought in is that it delivers us into the hands of the trade union barons. Does the Secretary of State agree that we are indeed in the iron grip of the barons, since he was unable to attend an event in his own office last night because he would not cross a picket line?

Martin McCluskey: We will take absolutely no lessons on employment rights from the Conservative party, which left us with a £22 billion black hole in the public finances that we are having to pick up. My right hon. Friend the Chancellor will address that in a moment.

Stephen Gethins (Arbroath and Broughty Ferry) (SNP): I join the hon. Member for East Renfrewshire (Blair McDougall) in congratulating the hon. Member for High

Peak (Jon Pearce) on the birth of his daughter. On the demographic challenge, just before the election the Scottish Labour deputy leader said

"there is something we can do to incentivise"

more people to come to Scotland. In terms of employment in Scotland, have the Secretary of State and colleagues sat down with the Home Office to discuss encouraging more migration?

Martin McCluskey: The Government will work closely with the Migration Advisory Committee. We welcome the contribution that migrants make to the economy, but we will take no lessons from a party that has consistently said that the positive destination for people in Scotland is a zero-hours contract, and whose Members sat on their hands last night when we dealt with the Great British Energy Bill.

Stephen Gethins: Let me try to challenge the hon. Member. In a spirit of collegiality, the UK Government have committed to working with the Scottish Government. The hon. Member for Na h-Eileanan an Iar (Torcuil Crichton), who is in his place, has said:

"When it comes to immigration policy one size does not fit all. It shouldn't be beyond us to devise ways to attract more people to work and settle here."

Will the Minister confirm that the Scottish and UK Governments should work together, and will he commit to a meeting between the Governments so that we can take forward the idea of more migration to Scotland, which the Labour party committed to and we committed to, and business is crying out for?

Martin McCluskey: We have committed to Scottish representation on the Migration Advisory Committee, which would go a long way to dealing with these issues, but it is for the Scottish Government to do things like build houses in areas where we need more migration in order to encourage people to come to live in Scotland.

Offshore Wind: UNESCO World Heritage Sites

9. Mr Gregory Campbell (East Londonderry) (DUP): Whether he has had discussions with the Scottish Government on the criteria for assessing the potential impact of planning applications for offshore wind near UNESCO world heritage sites. [900911]

The Secretary of State for Scotland (Ian Murray): Scotland is rightly proud of its six world heritage sites. As the hon. Gentleman will appreciate, responsibility for planning decisions for large-scale energy projects in Scotland rests with Scottish Government Ministers. The UK Government work closely with the Scottish Government to deliver for Scotland, while respecting devolution. I meet regularly with my Scottish Government counterparts on these issues.

Mr Speaker: I call Gregory Campbell.

Mr Campbell: I thank—[*Interruption.*] I thank the Secretary of State for his reply. In any discussions he has, will he take account of the fact that I have written to UNESCO about the potential for a huge offshore wind farm very close to the Giant's Causeway and the UNESCO world heritage site there? The Communities

Minister in Northern Ireland has also met UNESCO. Will the Secretary of State make representations to ensure that all considerations are taken account of, so that people know the problems that may compromise that world heritage site?

Ian Murray: I am glad that the hon. Member has not lost any of his popularity in the House. It would be inappropriate for me to comment on planning decisions for large-scale energy projects in Scotland, as it is a devolved responsibility. I recognise the importance of considering the protection of local assets when developing renewable projects, particularly at cherished world heritage sites.

SPEAKER'S STATEMENT

11.59 am

Mr Speaker: I wish to remind the House that, following the horrendous, terrible incident in Southport on 29 July, a suspect is awaiting trial, having been charged with multiple offences. That means that the House's sub judice resolution is engaged, and references should not be made to the case. I know that all hon. Members wish to see justice done in this case. It is therefore paramount that nothing is said in this House that could potentially prejudice a proper trial or lead to it being abandoned.

I know it can be frustrating when we see reports in the media of matters that we are not free to discuss here, but that arises from Parliament's constitutional relationship with the courts. More importantly, at the heart of this case are three young girls. We all want justice to be done for them and their families, and for others injured in and affected by this appalling incident. Speculation about the case, including comments made in this House, could seriously risk prejudicing proceedings. I know that none of us would ever wish to do that. Therefore, it would be wrong of me to exercise a waiver in this case. Members should not refer to it, or risk prejudicing it.

I understand that Members have legitimate questions about the circumstances surrounding this case. No doubt, they will want Ministers to commit to come to the House and answer those questions once the legal proceedings have concluded. I give my assurance that I will ensure ample opportunities to do so. My understanding is that the trial is expected to start in January. If Members have questions about the operation of and the decision on the sub judice resolution, they can speak to the Clerks and the Speaker's Counsel. In the meantime, our thoughts are with the family and friends of Bebe, Elsie and Alice, and all those who were injured and affected on that horrendous day.

Oral Answers to Questions

PRIME MINISTER

The Prime Minister was asked—

Mr Speaker: Before I call the Prime Minister, I would like to mark the fact that this is the last time that the right hon. Member for Richmond and Northallerton (Rishi Sunak) will appear at the Dispatch Box during Prime Minister's questions—although he has a bit more to do afterwards. He has spoken at the Dispatch Boxes as Chancellor of the Exchequer, Prime Minister and Leader of the Opposition. After today, we all look forward to his continued contributions from the Back Benches. We wish him and his family well in their future endeavours. I thank him personally for our working relationship.

Engagements

Q1. [900952] **Katrina Murray** (Cumbernauld and Kirkintilloch) (Lab): If he will list his official engagements for Wednesday 30 October.

The Prime Minister (Keir Starmer): I wish everyone celebrating in the UK and around the world a joyful Diwali. It is a time to come together to celebrate and focus on a brighter future. Last Diwali, the Leader of the Opposition and his family lit the diyas outside No. 10 Downing Street. It was a significant moment in our national story. The first British Asian Prime Minister is a reminder that this is a country where people of every background can fulfil their dreams, and it makes us all proud to be British.

As you just mentioned, Mr Speaker, this is our last exchange across the Dispatch Boxes, so I want to take this opportunity to thank the Leader of the Opposition for his service. We have had political disagreements and ideological differences, and we have argued at some length, but I want to thank him for his hard work, commitment and decency in everything he has done. I, too, wish he and his family the very best for whatever the future may hold for them.

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

Katrina Murray: I would like to associate myself with the remarks made by the Prime Minister. Cumbernauld in my constituency was promised an elective and diagnostic treatment centre by the Scottish Government in 2021. This has continued to be delayed and is now alleged to be mothballed. What assurances can the Prime Minister give me that any Barnett consequential from today's Budget will be used to benefit my constituents and not be held on to by the Scottish Government?

The Prime Minister: I thank my hon. Friend for her question. I am sorry to hear about the delays affecting her constituents. The party opposite oversaw years of mismanagement and chaos, and the impact on the Scottish NHS is evident. This Labour Government are

committed to delivering for the Scottish people, including making sure that we have an NHS fit for the future. The Chancellor will set out the details in just a few moments.

Mr Speaker: I call the Leader of the Opposition.

Rishi Sunak (Richmond and Northallerton) (Con): Mr Speaker, thank you for your kind words—and, indeed, I thank the Prime Minister for his kind words. No Prime Minister looks forward to PMQs, but I always did like this pre-Budget one. It was, for a change, nice not to be the main event but just the warm-up act.

As you said, Mr Speaker, today is my last appearance at PMQs. I am happy to confirm reports that I will now be spending more time in the greatest place on earth, where the scenery is worthy of a movie set and everyone is a character. That's right, Mr Speaker, if anyone needs me, I will be in Yorkshire. As an adopted Yorkshireman, I am particularly looking forward to doing the coast-to-coast walk that runs through my constituency and many others. Since 2015, we have made significant progress with the campaign to make it a national trail, and Natural England is close to concluding its work. Can I ask the Prime Minister to ensure that the coast-to-coast walk does indeed become Britain's greatest national trail, and, in preparation for my return to the Back Benches, will he meet with me to discuss it?

The Prime Minister: Mr Speaker, I thought the right hon. Gentleman was about to ask me to join him on the walk. [*Laughter.*] Certainly I will meet him, and that is an important point.

Rishi Sunak: That is very kind of the Prime Minister. I know he is partial to the Lake district, but perhaps we can tempt him over to our end as well.

Yorkshire is famous not just for its walks, but for being home to some of England's greatest cricketers. Sadly, no one is going to put me on that list—but who knows? I now have a lot more time to practise. Cricket has the power to bring people from all communities together and give them fantastic opportunities, as was shown so powerfully by Andrew Flintoff's recent documentary. We lead the world in female participation, and that will stand us in good stead when we host the women's world cup in 2026 and when cricket becomes an Olympic sport in 2028. Can I therefore ask the Prime Minister to continue Government support for the England and Wales Cricket Board's new initiative to get cricket into vastly more state schools, fostering a whole new generation of cricketers for us all to cheer on at every level?

The Prime Minister: Yes, is the answer to that question. That point is a really important one. We celebrate cricket and it does bring communities together, but it is also really important for children and young people to enjoy lots of different sports. It gives them a confidence that they might not otherwise have and the ability to work in a team, and it teaches them about skills like leadership, so I am fully supportive.

Rishi Sunak: Our two predecessors, Sir Tony Blair and Lord Hague, have repeatedly come together and powerfully argued in their joint reports that it is vital for the future prosperity of Britain's economy, society and

public services for us to be a world leader in technology and innovation. The Prime Minister and I may not yet be at our joint report writing stage, but in a similar spirit of cross-party agreement, could I ask him to find his inner tech bro and continue to support emerging British tech businesses and establish our country as the home of AI growth and innovation?

The Prime Minister: Yes, and that is a really important point. Last year, the Leader of the Opposition held a summit on AI, which was very important. We have been bringing together the leaders in AI. We have a huge advantage in this country, being ranked in the top three in the world. AI will have huge potential for our growth and our public services, and I think that the whole House should be fully supportive of it.

Rishi Sunak: The Prime Minister has the immense privilege of being Prime Minister of the United Kingdom of Great Britain and Northern Ireland. Northern Ireland is a special part of our Union, but one that needs particular care, attention and respect. Having a strong, functioning Assembly at Stormont is good for the people of Northern Ireland and good for our Union, which is why I was so pleased to see government restored there earlier this year, and I am grateful to the Prime Minister for his support with that. Can he assure the House that he will continue to work to keep Stormont open, delivering for the Northern Irish people and strengthening Northern Ireland's place in our Union?

The Prime Minister: Yes. Again, that is a very important point, and it is one that matters to me personally. I worked for five years in Northern Ireland on some of the proposals under the Good Friday agreement, in particular the transformation of the Royal Ulster Constabulary into the Police Service of Northern Ireland. I worked with both communities there for those five years. That was very important to me and it had a huge impact on me, so I care deeply about Northern Ireland. I absolutely agree that the institutions of government need to be up and running, and I want to give all the support I can to further development in Northern Ireland.

Rishi Sunak: As Prime Minister, the right hon. and learned Gentleman will be acutely aware of the threats that our United Kingdom faces from an axis of authoritarian states: Iran, North Korea, Russia and China. In particular, I am proud of the way in which this House has united in standing up to Russian aggression in Ukraine, and I know that we will never waver in our commitment to the Ukrainian cause. I will always be grateful for the support that the Prime Minister gave me when we were the first country to send Ukraine western battle tanks and long-range missiles, and the first to offer security assurances to Kyiv. In the light of the threats that we face, may I urge him always to maintain the strength of the transatlantic alliance and to ensure that NATO remains the bedrock of western security, with the United Kingdom playing a leading role?

The Prime Minister: Yes. NATO is, in my view, as important today as it was on the day on which it was created, in the light of the challenges that we face. It was a Labour Government who were the proud co-founder of NATO, and we repeatedly say that we support NATO to the hilt.

Rishi Sunak: Finally, may I point out that tomorrow is Diwali? I became leader of my party during Diwali, and I now stand down during that same festival. I am proud to have been the first British Asian Prime Minister, but I was even prouder that it was not that big a deal. That speaks volumes about the values of the British people, of our country, and of this Parliament. Will the Prime Minister join me in applauding the kindness, decency and tolerance that have always been the British way?

The Prime Minister: Yes, and I meant it when I said that we were all proud to see the right hon. Gentleman standing there as Prime Minister representing our diverse country. We were all proud: I think everyone in the House was. I thank him for that, and for his last question as Leader of the Opposition—although, given the speed with which his party goes through leaders, he may be back here before too long. In the meantime, I am sure that he will be a great champion for the people of Richmond.

Finally, I am sure that the right hon. Gentleman will not mind my disclosing to the House the contents of a letter that he wrote to me this week. My answer to it is clear: yes, I will arrange for him to meet the relevant Minister about the A66, which runs through his constituency.

Q2. [900954] **Dame Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): In Hackney, nearly 4,000 children who could fill eight primary schools are in temporary accommodation, in many cases outside London. That is bad for their future opportunities, and it is ripping our communities apart. I welcome the Government's pledge to build new homes, but will the Prime Minister ensure that those who cannot have a roof over their heads are a top priority in that long queue for new housing?

The Prime Minister: I thank my hon. Friend for raising this issue. It is a source of national shame that there are just under 1.3 million households on a social housing waiting list, including, I think, 8,000 in Hackney. The best way to tackle overcrowding and meet housing need is to build the homes this country needs, and that is why we will deliver 1.5 million homes over this Parliament. The Chancellor will set out further details in just a moment.

Mr Speaker: I call the leader of the Liberal Democrats.

Ed Davey (Kingston and Surbiton) (LD): Thank you, Mr Speaker. May I associate myself with your remarks and those of the Prime Minister about the right hon. Member for Richmond and Northallerton (Rishi Sunak), and thank him for his service? I wish him and the whole country a happy Diwali. Despite our political differences, I have always felt a certain kinship with him since the general election, when he was the only other party leader to get as wet as I did. [*Laughter.*] I am looking forward to debating the Budget with him and the Chancellor shortly, but may I wish him and his family all the best for the future?

Next month's summit in Baku is a chance for the UK to regain world leadership on climate change—a role disastrously lost under the Conservatives. As this is the final summit before countries must ratchet up their new

Paris agreement targets for 2035, will the Prime Minister take this opportunity to seize back world leadership on climate change by committing today to support the targets set out this week by the independent Climate Change Committee and publishing a programme to deliver on them?

The Prime Minister: We will seize that initiative. We have reset on the international stage, and climate is one of the biggest challenges that we face. I will be going to the conference this year, just as I went last year as Leader of the Opposition, to continue those discussions about how we reach the very important targets that we must reach.

Ed Davey: I thank the Prime Minister for his reply. I hope we really can take that world leadership back again.

Another issue on which the UK needs to show urgent leadership is the escalating war in Sudan. Tens of thousands of people have been killed, and 11 million Sudanese have had to flee from their homes. The reports of mass killings and horrifying sexual violence against women are truly stomach-churning. When the UK takes over the presidency of the UN Security Council this Friday, will the Prime Minister make it a priority to secure a new resolution on preventing future atrocities, including a no-fly zone to stop the Iranian drones?

The Prime Minister: I thank the right hon. Gentleman for raising this, because it is an important issue and I do not think we discuss it enough in this House. We continue to see mounting evidence of appalling atrocities against civilians and unacceptable restrictions on humanitarian access. Working with international partners—including as penholder at the UN Security Council, as he knows—to end the violence, secure humanitarian access and ensure the protection of civilians is a major priority.

Q3. [900955] **Rachael Maskell** (York Central) (Lab/Co-op): This Labour Government have set up a child poverty taskforce, which is determined to move 4.3 million children in poverty into a better future. However, we also inherited 2.1 million older people in poverty. Will my right hon. Friend the Prime Minister agree to set up a pensioner poverty taskforce so that older people do not have to worry about paying for their housing, food and heating costs, ensuring that they have dignity in later life?

The Prime Minister: The scale of poverty that we inherited in this country is truly appalling, with over 4 million children now growing up in low-income families. We will deliver on our manifesto commitment to tackle child poverty, as we did last time in government. We will publish our strategy in the spring.

Carla Denyer (Bristol Central) (Green): The ICJ has mandated that Israel must ensure access to lifesaving aid in Gaza under article 2 of the genocide convention, yet the Israeli Government have voted to effectively block its delivery. As a human rights lawyer, does the Prime Minister agree that banning UNRWA is a breach of international law? How much more evidence does he need before he calls out what is happening as genocide and acts in line with the UK's responsibilities as a signatory to the genocide convention?

The Prime Minister: I am very worried and concerned about the decision that has just been taken by the Parliament in relation to UNRWA. There is a humanitarian catastrophe in Gaza, and that decision will only make it much worse, which is why I have expressed my concern about it already, before today, and will continue to do so. It needs to be reversed very quickly indeed. I have never described what is going on in Gaza as genocide, but I do agree that all sides should comply with international law.

Q4. [900956] **Melanie Ward** (Cowdenbeath and Kirkcaldy) (Lab): Last month the Scottish Government Health Minister was forced to apologise for waiting times in my area of Fife, where some patients wait more than two years for treatment. My constituents deserve so much better than this. Does the Prime Minister agree that the Scottish National party must take responsibility for 17 years of failure and that, if today's Budget delivers a bigger block grant to Scotland, the SNP must sort out the mess it has made of Scotland's precious NHS?

The Prime Minister: This is the second time this has come up this afternoon in Prime Minister's questions, and I hope that SNP Members are listening good and hard. I am sorry to hear that my hon. Friend's constituents have been waiting so many years for the medical treatment that they need. We are committed to the NHS, and the Chancellor will have a lot more to say about that in just a moment.

Q8. [900960] **Richard Tice** (Boston and Skegness) (Reform): The Government's own independent reviewer of terrorism legislation, Jonathan Hall KC, has said repeatedly recently that it is important in incidents of terrorism that the authorities put out more information sooner in order to prevent an information gap. Does the Prime Minister agree?

The Prime Minister: Obviously I will tread carefully in answering this question, Mr Speaker, for the very reasons that you set out at the beginning of this session. It is very important, first and foremost, that in all cases, including the particularly difficult case that the Speaker mentioned earlier, the police and prosecutors are able to do their difficult job. All of us in this House have a choice to make, including both candidates to be the next Tory leader. They can either support the police in their difficult task or they can undermine the police in their difficult task. I know which side I am on.

Q5. [900957] **Rachel Blake** (Cities of London and Westminster) (Lab/Co-op): Minutes from here, in the communities of Victoria, Pimlico, Paddington and Covent Garden, there is an unprecedented rise in the number of people sleeping rough after 14 years of the Tory Government. Will the Prime Minister update the House on the cross-departmental homelessness strategy, and does he agree that this Labour Government have a once-in-a-generation opportunity to end rough sleeping for good?

The Prime Minister: Homelessness levels are far too high in this country, and we are developing a long-term strategy, working with mayors and local leaders, to end homelessness once and for all. We are taking action to tackle the root causes, which is delivering the biggest increase in social and affordable house building in a

generation, and we have picked up where the Conservatives failed by abolishing no-fault evictions, preventing many renters from ending up homeless.

Q13. [900965] **Lincoln Jopp** (Spelthorne) (Con): First we had the embarrassment of the Labour party being sued by the Trump campaign. Then we had the national capitulation—[*Interruption.*]

Mr Speaker: Order. Let me hear the rest of the question, please.

Lincoln Jopp: Thank you, Mr Speaker. Then we had the national capitulation of the Government over the sovereignty of the Chagos islands, and now we have had the personal humiliation of the Prime Minister at the Commonwealth Heads of Government summit, all of which begs the question: how on earth does the Foreign Secretary still have the full confidence of the Prime Minister?

The Prime Minister: I was intending to say that the hon. Gentleman was an upgrade on his predecessor, who of course drove up mortgages by thousands of pounds, but I withdraw that now.

Q6. [900958] **Ben Goldsborough** (South Norfolk) (Lab): When the Prime Minister and the Chancellor discuss the importance of supporting working families, I think of the dedicated farmers in South Norfolk. The Prime Minister has consistently acknowledged the critical role of food security and the need for farmers to have certainty to plan. Can he confirm what action our Government will be taking to back British farming in constituencies like mine?

The Prime Minister: I welcome my hon. Friend to his place. Talking of predecessors, no one did more damage to rural constituencies than his nearby predecessor, whose disastrous mini-Budget crashed the economy and hurt his constituents. I note that she has been tweeting her approval of the shadow Chancellor's attacks on the independent Office for Budget Responsibility, showing that the Conservative party has learned absolutely nothing. More than 12,000 farmers have been forced out of business due to Tory neglect, but we will turn that around. My hon. Friend will hear more about that in the Budget in just a minute.

Q14. [900966] **Helen Morgan** (North Shropshire) (LD): The Robert Jones and Agnes Hunt hospital in Oswestry, in my constituency, is home to the veterans' orthopaedic service, which is by far the largest provider of veterans' hospital care in the country. It is a fine example of what can be built when the national health service and local authorities work together. It cost no extra public money to set it up but, because of NHS changes in how integrated care boards charge each other, it has been left with a funding shortfall. Will the Prime Minister come to visit this fantastic facility in beautiful North Shropshire to see for himself why it is so important that we keep it going?

The Prime Minister: I thank the hon. Member for raising this issue. We are all grateful to our veterans for their service in protecting our country. I understand the value of the Veterans' Orthopaedic Service and the

support it provides for veterans. We are committed to ensuring that veterans receive the employment, mental health and housing support they need. The upcoming Budget will set out the changes we will be making.

Q7. [900959] Jim Dickson (Dartford) (Lab): After 14 years of failure by the last Government to renew and grow the UK's infrastructure, does the Prime Minister agree that additional investment is needed to kick-start economic growth, and that—*[Interruption.]* This is the important bit. Does the Prime Minister agree that investing in a new lower Thames crossing to relieve Dartford residents from the gridlock caused by overcapacity at the Dartford crossing, thereby boosting the north Kent and UK economies by £40 billion, would be an excellent starting project?

The Prime Minister: I am really pleased that, under this Government, Britain has already secured £63 billion-worth of investment, which will be measured in tens of thousands of jobs. Our No. 1 mission is growth, and my hon. Friend will be hearing a lot more about that in a few minutes' time.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): My constituents Colin and Mandy Mackie's 18-year-old son, Greg, died after having his soft drink spiked shortly after he went to college. They welcome the fact that this Government will continue with the legislation proposed by the previous Government. Can the Prime Minister assure them and other campaigners that Ministers and officials will work with them not only on bringing forward this legislation, but on raising awareness of this abhorrent practice and its potentially fatal consequences?

The Prime Minister: I thank the right hon. Member for raising this tragic case, and I join him in paying tribute to Greg's parents. Their tireless work to raise awareness of spiking, to support victims and to call for changes in the law is inspiring, given what they have been through. This Government will act. We will make spiking a specific criminal offence to better protect victims and support the police in tackling these crimes.

Q9. [900961] Alex Baker (Aldershot) (Lab): Our leisure centre in Farnborough was knocked down by the Conservative council, which made empty promises to replace it with an expensive civic hub, with no viable plan to pay for it. Will the Prime Minister help to secure the funding that Rushmoor borough council needs to rebuild our leisure centre, so that Labour can start delivering change after years of Tory failure?

The Prime Minister: I welcome my hon. Friend to her place. She is the first female and first Labour MP for Aldershot, and she is doing a superb job for her constituents. Rushmoor borough council was left with a shortfall of over £19 million over the last four years. The running down of local services has been one of the most painful features of the last 14 years. We will work hand in hand with councils, including on multi-year funding settlements, and with local leaders to develop and make sure the services that are needed are there.

Mr Speaker: I call Mark Francois to ask the final question.

Mr Mark Francois (Rayleigh and Wickford) (Con): Prime Minister, you mentioned veterans a few minutes ago. As we approach remembrance time, one group of veterans we all owe a great debt to are those who served during the troubles in Northern Ireland. Hundreds were killed and thousands were maimed, by both republican and so-called loyalist bombs. Many of those veterans are now in the autumn of their lives, yet you are proposing to repeal the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023, which was designed in part to protect them from endless investigation and reinvestigation. Why, sir, are you throwing those veterans to the wolves to pander to Sinn Féin?

Mr Speaker: Order. The right hon. Member has been here for a long time—"you" is not me, and I do not want it to be me.

The Prime Minister: I am not.

Ways and Means

Financial Statement and Budget Report

Madam Deputy Speaker (Ms Nusrat Ghani): Order. Before I call the Chancellor of the Exchequer, I would like to make a short statement.

Over the past few days, Ministers have made a series of new policy announcements with significant and wide-ranging implications for the Government's fiscal policy and for the public finances. It is evident to me that they should have been made in this House in the first instance. The principle is unambiguously set out in paragraph 9.1 of the ministerial code. The premature disclosure of the contents of the Budget has always been regarded as a supreme discourtesy to this House and to all of its democratically elected MP, not to mention to Mr Speaker and the Chairman of Ways and Means—*[Interruption.]* I really do not need any help.

Let me remind Members on the Treasury Bench that the Budget statement and the ensuing resolutions are “the most important business of Ways and Means” in the House, as set out in “Erskine May” paragraph 36.33. I am disappointed by comments made by Government spokespeople believing they can use precedent as an excuse. I am telling them today that they are entirely wrong.

Mr Speaker has always defended the undoubted right of this House, including Members of Opposition parties and Back Benchers from all parts of the House, to be the first to hear major Government policy announcements on behalf of their constituents. As Chairman of Ways and Means, I have responsibility to oversee the House's consideration of the Budget fairly and impartially, and to ensure hon. Members on both sides of the House have adequate opportunity to hold the Chancellor to account.

Finally, we, collectively, should all remember to respect the Chair, respect our colleagues and respect this House.

Before I call the Chancellor of the Exchequer, I remind hon. Members that copies of the Budget resolutions will be available from the Vote Office in the Members' Lobby at the end of the Chancellor's statement, and online. I also remind hon. Members that interventions are not taken during the Chancellor's statement, nor during the replies of the Leader of the Opposition or the Leader of the Liberal Democrat party.

I call the Chancellor of the Exchequer.

12.34 pm

The Chancellor of the Exchequer (Rachel Reeves): Madam Deputy Speaker, on 4 July, the country voted for change. This Government were given a mandate: to restore stability to our economy and to begin a decade of national renewal; to fix the foundations and deliver change through responsible leadership in the national interest. That is our task, and I know that we can achieve it.

My belief in Britain burns brighter than ever, and the prize on offer is immense. As my right hon. Friend the Prime Minister said on Monday, change must be felt: more pounds in people's pockets; an NHS that is there when we need it; and an economy that is growing, creating wealth and opportunity for all, because that is the only way to improve living standards. The only way

to drive economic growth is to invest, invest, invest. There are no shortcuts, and, to deliver that investment, we must restore economic stability and turn the page on the last 14 years.

This is not the first time that it has fallen to the Labour party to rebuild Britain. In 1945, it was the Labour party that rebuilt our country out of the rubble of the second world war. In 1964, it was the Labour party that rebuilt Britain with the white heat of technology, and, in 1997, it was the Labour party that rebuilt our schools and our hospitals. Today, it falls to this Labour party—to this Labour Government—to rebuild Britain once again. And while this is the first Budget in more than 14 years to be delivered by a Labour Chancellor, it is the first Budget in our country's history to be delivered by a woman. I am deeply proud to be Britain's first ever female Chancellor of the Exchequer. To girls and young women everywhere, I say: let there be no ceiling on your ambition, your hopes and your dreams. Along with the pride that I feel standing here today, there is also a responsibility to pass on a fairer society and a stronger economy to the next generation of women.

Madam Deputy Speaker, the Conservative party failed our country: its austerity broke our national health service; its Brexit deal harmed British businesses; and its mini-Budget left families paying the price with higher mortgages. The British people have inherited the Conservative party's failure: a black hole in the public finances; public services on their knees; a decade of low growth; and the worst Parliament on record for living standards.

Let me begin with the public finances. In July, I exposed a £22 billion black hole at the heart of the previous Government's plans—a series of promises that they made, but had no money to deliver—covered up from the British people and covered up from this House. The Treasury's reserve, set aside for genuine emergencies, was spent three times over just three months into the financial year. Today, on top of the detailed document that I provided to the House in July, the Government are publishing a line-by-line breakdown of the £22 billion black hole that we inherited, which shows hundreds of unfunded pressures on the public finances this year, and into the future too.

The Office for Budget Responsibility has published its own review of the circumstances around the spring Budget forecast. It says that the previous Government “did not provide the OBR with all the information to them” and that, had the OBR known about these

“undisclosed spending pressures that have since come to light”, then its spring Budget forecast for spending would have been “materially different”.

Let me be clear: that means that any comparison between today's forecast and the OBR's March forecast is false, because the previous Government hid the reality of their public spending plans. Yet at the very same Budget, they made another £10 billion-worth of cuts to national insurance. It was the height of irresponsibility, and they knew it. They had run out of road, and they called an election to avoid making difficult choices. So let me make this promise to the British people: never again will we allow a Government to play fast and loose with the public finances and never again will we allow a Government to hide the true state of our public finances from our independent forecaster. That is why I can

[Rachel Reeves]

today confirm that we will implement in full the 10 recommendations from the independent Office for Budget Responsibility's review.

The country has inherited not just broken public finances, but broken public services. The British people can see and feel that in their everyday lives: NHS waiting lists at record levels; children in portacabins as school roofs crumble; trains that do not arrive; rivers filled with polluted waste; prisons overflowing; crimes that are not investigated; and criminals who are not punished. That is the country's inheritance from the Conservative Government. They had no plan to improve our public services and they had no plan to put our public finances on a sustainable footing—quite the opposite.

Since 2021, there have been no detailed plans for departmental spending set out beyond this year, and the previous Government's plans relied on a baseline for spending this year, which we now know was wrong because it did not take into account the £22 billion black hole. They also failed to budget for costs that they knew would materialise, including funding for vital compensation schemes for victims of two terrible injustices—[*Interruption.*]

Madam Deputy Speaker (Ms Nusrat Ghani): Order. I have just spoken about respecting colleagues. The public are watching, and they want to hear what the Chancellor has to say. Simmer down.

Rachel Reeves: I would politely suggest that hon. Members listen to this, because it includes funding for vital compensation schemes for victims of two terrible injustices: the infected blood scandal and the Post Office Horizon scandal.

The Leader of the Opposition rightly made an unequivocal apology for the injustice of the infected blood scandal on behalf of the British state, but he did not budget for the costs of compensation. Today, for the very first time, we will provide specific funding to compensate those infected and those affected in full, with £11.8 billion in this Budget. I am also today setting aside £1.8 billion to compensate victims of the Post Office Horizon scandal—redress that is long overdue for the pain and injustice that they have suffered.

The leadership campaign for the Conservative party has now been going on for over three months, but in all that time there has been not one single apology for what they did to our country. The Conservative party has not changed—but this is a changed Labour party and we will restore stability to our country once again. The scale and seriousness of the situation that we have inherited cannot be underestimated. Together, the hole in our public finances this year, which recurs every year, the compensation schemes that the previous Government did not fund, and their failure to assess the scale of the challenges facing our public services, means that this Budget raises taxes by £40 billion. Any Chancellor standing here today would have to face this reality, and any responsible Chancellor would take action. That is why today I am restoring stability to our public finances and rebuilding our public services.

As a former economist at the Bank of England, I know what it means to respect our economic institutions. I put on record my thanks to the Governor of the Bank,

Andrew Bailey, and the independent Monetary Policy Committee. Today, I can confirm that we will maintain the MPC's target of 2% inflation, as measured by the 12-month increase in the consumer prices index. I thank James Bowler, the permanent secretary to the Treasury, and my team of officials. I also thank my predecessors as Chancellor of the Exchequer for their wise counsel as I have prepared for this Budget. In particular, I thank the former right hon. Member for Spelthorne for his invaluable advice in this weekend's papers, where he concluded that his mini-Budget "wasn't perfect". For once, he and I are in absolute agreement. Finally, I thank Richard Hughes and his team at the Office for Budget Responsibility for their work in preparing today's economic and fiscal outlook.

Let me take the House through that forecast. The cost of living crisis under the last Government stretched household finances to their limit, with inflation hitting a peak of above 11%. Today, the OBR says that CPI inflation will average 2.5% this year, 2.6% in 2025, 2.3% in 2026, 2.1% in 2027, 2.1% in 2028 and 2.0% in 2029.

Moving on to economic growth, today's Budget marks an end to short-termism, so I am pleased that, for the first time, the OBR has published not only five-year growth forecasts but a detailed assessment of the growth impacts of our policies over the next decade. The new charter for Budget responsibility, which I am publishing today, confirms that this will become a permanent feature of our framework. The OBR forecasts that real GDP growth will be 1.1% in 2024, 2.0% in 2025, 1.8% in 2026, 1.5% in 2027, 1.5% in 2028 and 1.6% in 2029. The OBR is clear: this Budget will permanently increase the supply capacity of the economy, boosting long-term growth. [*Interruption.*] It may sound shocking to Conservative Members, but this Government are boosting long-term economic growth.

Every Budget that I deliver will be focused on our mission to grow the economy, and underpinning that mission are the seven key pillars of our growth strategy, developed and delivered alongside business, and all driven forward by our excellent Financial Secretary to the Treasury. The first and most important is to restore economic stability. That is my focus today. Secondly, increasing investment and building new infrastructure is vital for productivity, so we are catalysing £70 billion of investment through our national wealth fund, and we are transforming our planning rules to get Britain building again. Thirdly, to ensure that all parts of the UK can realise their potential we are working with the devolved Governments and partnering with our mayors to develop local growth plans. Fourthly, to improve employment prospects and skills we are creating Skills England, delivering our plans to make work pay and tackling economic inactivity.

Fifthly, we are launching our long-term modern industrial strategy and expanding opportunities for our small and medium-sized businesses to grow. Sixthly, to drive innovation, we are protecting record funding for research and development to harness the full potential of the UK's science base. Finally, to maximise the growth benefits of our clean energy mission, we have confirmed key investments, such as carbon capture and storage, to create jobs in our industrial heartlands. Our approach is already having an impact: just two weeks ago, we delivered an international investment summit that saw businesses commit £63.5 billion of investment into our country,

creating nearly 40,000 jobs across the United Kingdom. But we cannot undo 14 years of damage in one go. Economic growth will be our mission for the duration of this Parliament.

In our manifesto, we set out the fiscal rules that would guide this Government. I am confirming those today: our stability rule and our investment rule. The stability rule means that we will bring the current Budget into balance so that we do not borrow to fund day-to-day spending. We will meet that rule in 2029-30, until that becomes the third year of the forecast. From then on, we will balance the current Budget in the third year of every Budget, held annually each autumn. That will provide a tougher constraint on day-to-day spending, so that difficult decisions cannot be constantly delayed or deferred. The OBR says that the current Budget will be in deficit by £26.2 billion in 2025-26 and by £5.2 billion in 2026-27, before moving into surplus of £10.9 billion in 2027-28, £9.3 billion in 2028-29 and £9.9 billion in 2029-30, meeting our stability rule two years early.

Monthly public sector finance data show that Government borrowing in the first six months of this year was already running significantly higher than the OBR's March forecast, and the OBR confirmed today that borrowing in this financial year is now £127 billion, reflecting the inheritance left by the Conservative party. The increase in the net cash requirement in 2024-25 is lower than the increase in borrowing, at £22.3 billion higher than the spring forecast. Because of the action that we are taking, borrowing falls from 4.5% of GDP this year to 2.1% of GDP by the end of the forecast. Public sector net borrowing will be £105.6 billion in 2025-26, £88.5 billion in 2026-27, £72.2 billion in 2027-28, £71.9 billion in 2028-29 and £70.6 billion in 2029-30.

Before I come to tax, it is vital that we are driving efficiency and reducing wasteful spending. In July, to begin dealing with our inheritance, I made £5.5 billion of savings this year. Today we are setting a 2% productivity, efficiency and savings target for all Departments to meet next year by using technology more effectively and joining up services across Government. As set out in our manifesto, I will shortly be appointing our covid corruption commissioner. They will lead our work to uncover those companies that used a national emergency to line their own pockets, because that money belongs in our public services, and taxpayers want it back. I can confirm today that David Goldstone has been appointed chair of the new office for value for money to help us realise the benefits from every pound of public spending.

Today, I am also taking three steps to ensure that welfare spending is more sustainable. First, we inherited the last Government's plans to reform the work capability assessment. We will deliver those savings as part of our fundamental reforms to the health and disability benefits system that my right hon. Friend the Work and Pensions Secretary will bring forward.

Secondly, I can today announce a crackdown on fraud in our welfare system—often the work of criminal gangs. We will expand the DWP's counter-fraud teams, using innovative new methods to prevent illegal activity, and provide new legal powers to crack down on fraudsters, including direct access to bank accounts to recover debt. That package saves £4.3 billion a year by the end of the forecast.

Thirdly, the Government will shortly be publishing the "Get Britain Working" White Paper, tackling the root causes of inactivity with an integrated approach across health, education and welfare, and we will provide £240 million for 16 trailblazer projects, targeted at those who are economically inactive and most at risk of being out of education, employment or training, to get people into work and reduce the benefits bill.

Before a Government can consider any change to a tax rate or threshold, they must ensure that people pay what they already owe. We will invest to modernise His Majesty's Revenue and Customs systems using the very best technology, and recruit additional HMRC compliance and debt staff. We will clamp down on the umbrella companies that exploit workers, increase the interest rate on unpaid tax debt to ensure that people pay on time, and go after the promoters of tax avoidance schemes. Those measures to reduce the tax gap raise £6.5 billion by the end of the forecast, and I thank the Exchequer Secretary to the Treasury for his outstanding work on that agenda.

I know that for working people up and down our country, family finances are stretched and pay cheques do not go as far as they once did, so today I am taking steps to support people with the cost of living. It was the Labour Government who introduced the national minimum wage in 1999. That had a transformative impact on the lives of working people. As promised in our manifesto, we asked the Low Pay Commission to take account of the cost of living for the first time. I can confirm that we will accept the commission's recommendation to increase the national living wage by 6.7% to £12.21 an hour, worth up to £1,400 a year for a full-time worker. And, for the first time, we will move towards a single adult rate, phased in over time by initially increasing the national minimum wage for 18 to 20-year-olds by 16.3%, as recommended by the Low Pay Commission, taking it to £10 an hour—a Labour policy to protect working people, being delivered by a Labour Government once again.

Secondly, I have heard representations from colleagues across this House, including my hon. Friends the Members for Shipley (Anna Dixon) and for Scarborough and Whitby (Alison Hume), and the right hon. Member for Kingston and Surbiton (Ed Davey), about the carer's allowance and the impact of the current policy on carers who are looking to increase the hours that they work. Carer's allowance currently provides up to £81.90 per week to help those with additional caring responsibilities. Today, I can confirm that we are increasing the weekly earnings limit to the equivalent of 16 hours at the national living wage per week—the largest increase in the carer's allowance since it was introduced in 1976. That means that a carer can now earn over £10,000 a year while receiving carer's allowance, allowing them to increase their hours where they want to, and keep more of their money. I am also concerned about the cliff edge in the current system and the issue of overpayments. My right hon. Friend the Work and Pensions Secretary has announced an independent review to look at the issue of overpayments, and we will work across the House to develop the right solutions.

Thirdly, we will provide £1 billion from next year to extend the household support fund and discretionary housing payments to help those facing financial hardship with the cost of essentials. Fourthly, having heard representations from the Joseph Rowntree Foundation,

[Rachel Reeves]

the Trussell Trust and others, I will reduce the level of debt repayments that can be taken from a household's universal credit payment each month from 25% to 15% of their standard allowance. That means that 1.2 million of the poorest households will keep more of their award each month, lifting children out of poverty, and those who benefit will gain an average of £420 a year.

Our plan to make work pay will also protect working people. I know that Conservative Members are deeply interested in our plans. Having seen their colleagues repeatedly dismissed at short notice, I know that they are worried about their future under the right hon. Member for North West Essex (Mrs Badenoch). They should rest easy knowing that our plan will protect working people from unfair dismissal; it will safeguard them from bullying in the workplace; and it will improve their access to paternity and maternity leave. I hope the new shadow Cabinet will soon be grateful for those increased protections at work.

It is right that we protect those who have worked all their lives. In our manifesto, we promised to transfer the investment reserve fund in the mineworkers' pension scheme to members. I have listened closely to my hon. Friends the Members for Easington (Grahame Morris), for Doncaster Central (Sally Jameson), for Blaenau Gwent and Rhymney (Nick Smith) and for Ayr, Carrick and Cumnock (Elaine Stewart) on this issue. Today, we are keeping our promise, so that working people who powered our country receive the fair pension that they are owed.

Our manifesto committed to the triple lock, meaning that spending on the state pension is forecast to rise by over £31 billion by 2029-30, to ensure our pensioners are protected in their retirement. That commitment means that while working-age benefits will be uprated in line with CPI at 1.7%, the basic and new state pension will be uprated by 4.1% in 2025-26. This means that over 12 million pensioners will gain up to £470 next year, up to £275 more than uprating by inflation. The pension credit standard minimum guarantee will also rise by 4.1%, from around £11,400 per year to around £11,850 a year for a single pensioner.

While I have sought to protect working people with measures to reduce the cost of living, I have had to take some very difficult decisions on tax. I want to set out my approach to fuel duty. Baked into the numbers that I inherited from the previous Government is an assumption that fuel duty will rise in line with the retail prices index next year and that the temporary 5p cut will be reversed. To retain the 5p cut and to freeze fuel duty again would cost over £3 billion next year. At a time when the fiscal position is so difficult, I have to be frank with the House that that is a substantial commitment to make. I have concluded that, in these difficult circumstances, while the cost of living remains high and with a backdrop of global uncertainty, increasing fuel duty next year would be the wrong choice for working people. It would mean fuel duty rising by 7p per litre, so I have decided today to freeze fuel duty next year, and I will maintain the existing 5p cut for another year, too. There will be no higher taxes at the petrol pumps next year.

The last Government made cuts of £20 billion to employees' and self-employed national insurance in their final two Budgets. Those tax cuts were not

honest, because we now know that they were based on a forecast that the OBR says would have been "materially different" had it known the true extent of the last Government's cover-up. Since July, I have been urged on multiple occasions to reconsider those cuts—to increase the taxes that working people pay and see in their payslips—but I have made an important choice today: to keep every single commitment that we made on tax in our manifesto. I say to working people, I will not increase your national insurance, I will not increase your VAT, and I will not increase your income tax. Working people will not see higher taxes in their payslips as a result of the choices I am making today. That is a promise made and a promise fulfilled.

Any responsible Chancellor would need to make difficult decisions today to raise the revenues required to fund our public services and restore economic stability. So in today's Budget, I am announcing an increase in employers' national insurance contributions. We will increase the rate of employers' national insurance by 1.2 percentage points to 15% from April 2025, and we will reduce the secondary threshold—the level at which employers start paying national insurance on each employee's salary—from £9,100 a year to £5,000. This will raise £25 billion per year by the end of the forecast period. I know that this is a difficult choice; I do not take this decision lightly. We are asking businesses to contribute more, and I know that there will be impacts of this measure felt beyond businesses, too, as the OBR has set out today. [Interruption.]

Madam Deputy Speaker (Ms Nusrat Ghani): Order. Our constituents are watching—they need to be able to hear the Chancellor. Simmer down.

Rachel Reeves: In the circumstances I have inherited, it is the right choice to make. Successful businesses depend on successful schools, healthy businesses depend on a healthy NHS, and a strong economy depends on strong public finances. If the Conservative party chooses to oppose this choice, it is choosing more austerity, more chaos and more instability. That is the choice our country faces, too.

As I make this choice, I know it is particularly important to protect our smallest companies. Having heard representations from the Federation of Small Businesses and others, I am today increasing the employment allowance from £5,000 to £10,500. This means that 865,000 employers will not pay any national insurance at all next year, and over 1 million will pay the same or less than they did previously. This will allow a small business to employ the equivalent of four full-time workers on the national living wage without paying any national insurance on their wages.

Let me now come to capital gains tax. We need to drive growth, promote entrepreneurship and support wealth creation while raising the revenue required to fund our public services and restore our public finances. Today, we will increase the lower rate of capital gains tax from 10% to 18% and the higher rate from 20% to 24%, while maintaining the rates of capital gains tax on residential property at 18% and 24%. This means that the UK will still have the lowest capital gains tax rate of any European G7 economy.

Alongside these changes to the headline rates of capital gains tax, we are maintaining the lifetime limit for business asset disposal relief at £1 million to encourage

entrepreneurs to invest in their businesses. Business asset disposal relief will remain at 10% this year before rising to 14% in April 2025 and to 18% from 2026-27, maintaining a significant gap compared with the higher rate of capital gains tax. Together, the OBR says that these measures will raise £2.5 billion by the end of the forecast.

In a sign of this Government's commitment to supporting growth and entrepreneurship, we have already extended the enterprise investment and venture capital trust schemes to 2035, and we will continue to work with leading entrepreneurs and venture capital firms to ensure that our policies support a positive environment for entrepreneurship in the UK.

Next, I turn to inheritance tax. Only 6% of estates will pay inheritance tax this year. I understand the strongly held desire to pass down savings to children and grandchildren, so I am taking a balanced approach in my package today. First, the previous Government froze inheritance tax thresholds until 2028. I will extend that freeze for a further two years, until 2030. That means that the first £325,000 of any estate can be inherited tax-free, rising to £500,000 if the estate includes a residence passed to direct descendants and £1 million when a tax-free allowance is passed to a surviving spouse or civil partner.

Secondly, we will close the loophole created by the previous Government, made even bigger when the lifetime allowance was abolished, by bringing inherited pensions into inheritance tax from April 2027. Finally, we will reform agricultural property relief and business property relief. From April 2026, the first £1 million of combined business and agricultural assets will continue to attract no inheritance tax at all, but for assets over £1 million, inheritance tax will apply with a 50% relief at an effective rate of 20%. This will ensure that we continue to protect small family farms, with three quarters of claims unaffected by these changes.

I can also announce that we will apply a 50% relief in all circumstances on inheritance tax for shares on the alternative investment market and other similar markets, setting the effective rate of tax at 20%. Taken together, these measures raise over £2 billion by the final year of the forecast.

Next, I can confirm that the Government will renew the tobacco duty escalator for the remainder of this Parliament at RPI+2%, increase duty by a further 10% on hand-rolling tobacco this year, and introduce a flat-rate duty on all vaping liquid from October 2026, alongside an additional one-off increase in tobacco duty to maintain the incentive to give up smoking. We will increase the soft drinks industry levy to account for inflation since it was introduced, as well as increasing the duty in line with CPI each year going forward. These measures will raise nearly £1 billion per year by the end of the forecast period.

We want to support the take-up of electric vehicles, so I will maintain the incentives for electric vehicles in company car tax from 2028 and increase the differential between fully electric and other vehicles in the first-year rates of vehicle excise duty from April 2025. These measures will raise around £400 million by the end of the forecast period.

Let me update the House on our plans for air passenger duty—and I can see the Leader of the Opposition's ears have pricked up. Air passenger duty has not kept up with

inflation in recent years, so we are introducing an adjustment, meaning an increase of no more than £2 for an economy class short-haul flight. But I am taking a different approach when it comes to private jets, increasing the rate of air passenger duty by a further 50%. That is equivalent to £450 per passenger for a private jet to, say, California. *[Laughter.]*

Let us now turn to our high street businesses. I know that, for them, a major source of concern is business rates. From 2026-27, we intend to introduce two permanently lower tax rates for retail, hospitality and leisure properties, which make up the backbone of our high streets across the country, and it is our intention that it is paid for by a higher multiplier for the most valuable properties. The previous Government created a cliff edge next year, as temporary reliefs end, so I will today provide 40% relief on business rates for the retail, hospitality and leisure industry in 2025-26 up to a cap of £110,000 per business. Alongside this, the small business tax multiplier will be frozen next year.

Next, I can confirm that alcohol duty rates on non-draught products will increase in line with RPI from February next year. However, nearly two thirds of alcoholic drinks sold in pubs are served on draught, so today, instead of uprating these products in line with inflation, I am cutting draught duty by 1.7%—[HON. MEMBERS: "Hear, hear!"]—which means a penny off the pint in the pub.

Alongside the changes I am making today, I am publishing a corporate tax road map, providing the business certainty called for by the CBI, the British Chambers of Commerce and the Institute of Directors. This confirms our commitment to cap the rate of corporation tax at 25%—the lowest in the G7—for the duration of this Parliament, while maintaining full expensing and the £1 million annual investment allowance, and keeping the current rates of research and development relief to drive innovation.

In our manifesto, we made a number of commitments to raising funding for our public services. First, I have always said that if you make Britain your home, you should pay your taxes here, too, so today I can confirm that we will abolish the non-dom tax regime, and we will remove the outdated concept of domicile from the tax system from April 2025. We will introduce a new, residence-based scheme, with internationally competitive arrangements for those coming to the UK on a temporary basis, while closing the loopholes in the scheme designed by the Conservative party. To further encourage investment into the UK, we will extend the temporary repatriation relief to three years and expand its scope, bringing billions of pounds of new funds into Britain. The independent Office for Budget Responsibility says that this package of measures will raise £12.7 billion over the next five years.

The fund management industry provides a vital contribution to our economy, but as our manifesto set out, there needs to be a fairer approach to the way that carried interest is taxed, so we will increase the capital gains rates on carried interest to 32% from April 2025, and from April 2026 we will deliver further reform to ensure that the specific rules for carried interest are simpler, fairer and better targeted.

In our manifesto, we committed to reforming stamp duty land tax to raise revenues, while supporting those buying their first home. We are increasing the stamp duty land tax surcharge for second homes, known as the

[Rachel Reeves]

higher rate for additional dwellings, by 2 percentage points to 5%, which will come into effect from tomorrow. This will support over 130,000 additional transactions from people buying their first home or moving home over the next five years.

Next, we are committed to reforming the energy profits levy on oil and gas companies. I can confirm today that we will increase the rate of the levy to 38%. The levy will now expire in March 2030, and we will remove the 29% investment allowance. To ensure that the oil and gas industry can protect jobs and support our energy security, we will maintain the 100% first-year allowances, and the decarbonisation allowances, too.

Finally, 94% of children in the UK attend state schools. To provide the highest-quality support and teaching that they deserve, we will introduce VAT on private school fees from January 2025, and we will shortly introduce legislation to remove their business rates relief from April 2025, too.

We said in our manifesto that these changes, alongside our measures to tackle tax avoidance, would bring in £8.5 billion in the final year of the forecast. I can confirm today that they will in fact raise over £9 billion to support our public services and restore our public finances. That is a promise made and a promise fulfilled.

I have one final decision to announce on tax today. The previous Government froze income tax and national insurance thresholds in 2021, and then did so again after the mini-Budget. Extending their threshold freeze for a further two years raises billions of pounds—money to deal with the black hole in our public finances and repair our public services. Having considered the issue closely, I have come to the conclusion that extending the threshold freeze would hurt working people. It would take more money out of their pay slips. I am keeping every single promise on tax that I made in our manifesto, so there will be no extension of the freeze in income tax and national insurance thresholds beyond the decisions made by the previous Government. From 2028-29, personal tax thresholds will be uprated in line with inflation once again. When it comes to choices on tax, this Government choose to protect working people every single time.

Those are the choices I have made to restore economic stability and protect working people. My next choice is to begin to repair our public services. In recent months, we conducted the first phase of the spending review to set departmental budgets for 2024-25 and 2025-26. I thank my right hon. Friend the Chief Secretary to the Treasury for his tireless work with colleagues from across Government. Because I have taken difficult decisions on tax today, I am able to provide an injection of immediate funding over the next two years to stabilise and support our public services.

The next phase of the spending review will report in late spring, and I have set out the overall envelope today. Day-to-day spending from 2024-25 onwards will grow by 1.5% in real terms, and today departmental spending, including capital spending, will grow by 1.7% in real terms. At the election, we promised that there would be no return to austerity, and today we deliver on that promise, but given the scale of the challenge that we face in our public services, there will still be difficult choices in the next phase of the spending review. Just as we cannot tax and spend our way to prosperity, neither

can we simply spend our way to better public services. We will deliver a new approach to public service reform, using technology to improve public services and taking a zero-based approach, so that taxpayers' money is spent as effectively as possible, and so that we focus on delivering our key priorities.

In the first phase of the spending review, I have prioritised day-to-day funding to deliver on our manifesto commitments. I want every child to have the very best start in life, and the best possible start to their school day. I know that my right hon. Friend the Secretary of State for Education shares my ambition, so today I am tripling investment in breakfast clubs to fund them in thousands of schools. I am increasing the core schools budget by £2.3 billion next year to support our pledge to hire thousands more teachers in key subjects. So that our young people can develop the skills that they need for the future, I am providing an additional £300 million for further education. Finally, this Government are committed to reforming special educational needs provision, to improve outcomes for our most vulnerable children and ensure that the system is financially sustainable. To support that work, I am today providing a £1 billion uplift in funding—a 6% real-terms increase from this year.

There is no more important job for Government than keeping our country safe, and we are conducting a strategic defence review, to be published next year. As set out in our manifesto, we will set a path to spending 2.5% of GDP on defence at a future fiscal event. Today, I am announcing a total increase in the Ministry of Defence's budget of £2.9 billion next year, ensuring that the UK comfortably exceeds our NATO commitments, and providing guaranteed military support to Ukraine of £3 billion per year for as long as it takes. Last week, alongside my right hon. Friend the Defence Secretary, I announced, in addition to that, further support for Ukraine, on top of our NATO commitment. That support comes through our £2.26 billion contribution to the G7's extraordinary revenue acceleration agreement. That will be repaid using profits from immobilised Russian sovereign assets.

As we approach Remembrance Sunday, it is vital that we take time to remember those who have served our country so bravely. I am today announcing funding to commemorate the 80th anniversary of VE and VJ Day next year, to honour those who served at home and abroad. We must also remember those who experienced the atrocities of the Nazi regime at first hand. I would like to pay tribute to Lily Ebert, the Holocaust survivor and educator who passed away aged 100 earlier this month. I am today committing a further £2 million for Holocaust education next year, so that charities such as the Holocaust Educational Trust can continue their work to ensure that those vital testimonies are not lost, and are preserved for the future.

To repair our public services, we need to work alongside our mayors and local leaders. We will deliver a significant, real-terms funding increase for local government next year, including £1.3 billion of additional grant funding to deliver essential services, with at least £600 million in grant funding for social care and £230 million to tackle homelessness and rough sleeping. We are today confirming that Greater Manchester and the West Midlands will be the first mayoral authorities to receive integrated settlements from next year, giving mayors meaningful control of

funding for their local areas. To support our high streets, we are taking action to deal with the sharp rise in shoplifting that we have seen in recent years. We will scrap the effective immunity for low-value shoplifting introduced by the Conservative party, and having listened closely to organisations such as the British Retail Consortium and the trade union USDAW, I am providing additional funding to crack down on the organised gangs that target retailers, and to provide more training for our police officers and retailers, in order to stop shoplifting in its tracks.

Finally, I am today providing funding to support public services and drive growth across Scotland, Wales, and Northern Ireland. Having discussed the matter with the First Minister of Wales, Eluned Morgan, my hon. Friend the Under-Secretary of State for Wales (Dame Nia Griffith), and my hon. Friend the Under-Secretary of State for Justice (Alex Davies-Jones), I am today providing £25 million to the Welsh Government next year for the maintenance of coal tips, to ensure that we keep our communities safe. To support growth, including in our rural areas, we will proceed with city and growth deals in Northern Ireland, in Causeway Coast and Glens, and the Mid South West. We will drive growth in Scotland, which is a key priority for Scottish Labour and our leader, Anas Sarwar, including through a city and growth deal in Argyll and Bute.

This Budget provides the devolved Governments with the largest real-terms funding settlement since devolution, delivering an additional £3.4 billion to the Scottish Government through the Barnett formula—funding that must now be used effectively in Scotland to deliver the public services that the people of Scotland deserve. This Budget also provides £1.7 billion to the Welsh Government, and £1.5 billion to the Northern Ireland Executive in 2025-26. I said there would be no return to austerity; that is the choice I have made today.

To rebuild our country, we need to increase investment. The UK lags behind every other G7 country when it comes to business investment as a share of our economy. That matters. It means that the UK has fallen behind in the race for new jobs, new industries, and new technology. By restoring economic stability, and by establishing the national wealth fund to catalyse private funding, we have begun to create the conditions that businesses need to invest, but there is also a significant role for public investment. For too long, we have seen Conservative Chancellors cut investment and raid capital budgets to plug gaps in day-to-day spending. The result is clear for all to see: hospitals without the equipment they need; school buildings not fit for our children; a desperate lack of affordable housing; and economic growth held back at every turn. Under the plans I inherited, public investment was set to fall from 2.5% to 1.7% of GDP, but in Washington last week, the International Monetary Fund was clear: more public investment is badly needed in the UK.

Having listened to the case made by the former Governor of the Bank of England, Mark Carney, the former Treasury Minister, Jim O'Neill and the former Cabinet Secretary, Gus O'Donnell, among others, I am confirming our investment rule. As was set out in our manifesto, we will target debt falling as a share of the economy. Debt will be defined as public sector net financial liabilities—or net financial debt, for short.

That metric has been measured by the Office for National Statistics since 2016 and forecast by the Office for Budget Responsibility since that date, too.

Net financial debt recognises that Government investment delivers returns for taxpayers by counting not just the liabilities on a Government's balance sheet, but the financial assets, too. That means we count the benefits of that investment, not just the costs, and we free up our institutions to invest, just as they do in Germany, France and Japan. Like our stability rule, our investment rule will apply in 2029-30, until that becomes the third year of the forecast. From that point onwards, net financial debt will fall in the third year of every forecast. Today, the OBR says that we are already meeting our target two years early, with net financial debt falling by 2027-28 and £15.7 billion of headroom in the final year.

So that we drive the right incentives in Government investments, we will introduce four key guardrails to ensure capital spending is good value for money and drives growth in our economy. First, our portfolio of new financial investments will be delivered by expert bodies, such as the national wealth fund, and must by default earn a rate of return at least as large as that on gilts. Secondly, we will strengthen the role of institutions to improve infrastructure delivery. Thirdly, we will improve certainty, setting capital budgets for five years and extending them at spending reviews every two years. Finally, we will ensure greater transparency for capital spending, with robust annual reporting of financial investments based on accounts audited by the National Audit Office and made available to the Office for Budget Responsibility at every forecast. Taken together with our stability rule, these fiscal rules will ensure that our public finances are on a firm footing, while enabling us to invest prudently alongside business.

The capital plans I now set out to drive growth across our country and repair the fabric of our nation are possible only because of our investment rule. Let me set out those investment plans. Today, we are confirming our plans to capitalise the national wealth fund to invest in the industries of the future, from gigafactories to ports to green hydrogen. Building on those investments, my right hon. Friend the Business Secretary is driving forward our modern industrial strategy, working with businesses and organisations such as Make UK to set out the sectors with the biggest growth potential. Today, we are confirming multi-year funding commitments for these areas of our economy, including nearly £1 billion for the aerospace sector to fund vital research and development, building on our industry in the east midlands, the south-west and Scotland; more than £2 billion for the automotive sector to support our electric vehicle industry and develop our manufacturing base, building on our strengths in the north-east and the west midlands; and up to £520 million for a new life sciences innovative manufacturing fund.

For our world-leading creative industries, we will legislate to provide additional tax relief for visual effect costs in TV and film, and we are providing £25 million for the North East combined authority, which it plans to use to remediate the Crown Works Studios site in Sunderland, creating 8,000 new jobs.

To unlock these growth industries of the future, we will protect Government investment in research and development, with more than £20 billion-worth of funding. This includes at least £6.1 billion to protect core research

[Rachel Reeves]

funding for areas such as engineering, biotechnology and medical science through Research England, other research councils and the national academies. We will extend the innovation accelerators programme in Glasgow, Manchester and the west midlands. With more than £500 million of funding next year, my right hon. Friend the Secretary of State for Science, Innovation and Technology will continue to drive progress in improving reliable, fast broadband and mobile coverage across our country, including in rural areas.

We committed in our manifesto to build 1.5 million homes over the course of this Parliament, and my right hon. Friend the Deputy Prime Minister is driving that work forward across government. Today, I am providing more than £5 billion of Government investment to deliver our plans on housing next year. We will increase the affordable homes programme to £3.1 billion, delivering thousands of new homes. We will provide £3 billion-worth of support in guarantees to boost the supply of homes and support our small house builders. We will provide investment to renovate sites across our country, including at Liverpool Central Docks, where we will deliver 2,000 new homes, and funding to help Cambridge realise its full growth potential.

Alongside this investment, we will put the right policies in place to increase the supply of affordable housing. Having heard representations from local authorities, social housing providers and Shelter, I can today confirm that the Government will reduce right-to-buy discounts and that local authorities will be able to retain the full receipts from any sales of social housing, so that we can reinvest them back into housing stock and into new supply. By doing that, we will give more people a safe, secure and affordable place to live.

We will provide stability to social housing providers with a social housing rent settlement of CPI plus 1% for the next five years, and we will deliver on our manifesto commitment to hire hundreds of new planning officers to get Britain building again. We will also make progress on our commitment to accelerate the remediation of homes, following the findings of the Grenfell inquiry, with £1 billion of investment to remove dangerous cladding next year.

The last Government made a number of promises on transport, but failed to fund them. Working with my right hon. Friend the Transport Secretary, I am changing that. We are today securing the delivery of the trans-Pennine upgrade to connect York, Leeds, Huddersfield and Manchester, delivering fully electric local and regional services between Manchester and Stalybridge by the end of this year, with a further electrification of services between Church Fenton and York by 2026, to help grow our economy across the north of England with faster and more reliable services.

We will deliver East West Rail to drive growth between Oxford, Milton Keynes and Cambridge, with the first services running between Oxford, Bletchley and Milton Keynes next year, and trains between Oxford and Bedford running from 2030. We are delivering railway schemes that improve journeys for people across our country, including upgrades at Bradford Forster Square station, improving capacity at Manchester Victoria and electrifying the Wigan to Bolton line.

My right hon. Friend the Transport Secretary has also set out a plan for how to get a grip of HS2. Today, we are securing delivery of the project between Old Oak Common and Birmingham, and we are committing the funding required to begin tunnelling work to London Euston station. That will catalyse private investment into the local area, delivering jobs and growth.

I am also funding significant improvements to our road network. For too long, potholes have been an all-too-visible reminder of our failure to invest as a nation. Today that changes, with a £500 million increase in road maintenance budgets next year—more than delivering on our manifesto commitment to fix an additional 1 million potholes each year. We will provide over £650 million of local transport funding to improve connections across our country, in towns such as Crewe and Grimsby and in our villages and rural areas from Cornwall to Cumbria. While the previous Government's policy was for the bus fare cap to end this December, we understand how important bus services are for our communities, so we will extend the cap for a further year, setting it at £3 until December 2025. Finally, we will deliver £1.3 billion of funding to improve connectivity in our city regions, funding projects such as the Brierley Hill metro extension in the west midlands, the renewal of the Sheffield Supertram, and West Yorkshire mass transit, including in Bradford and Leeds.

To bring new jobs to Britain and drive growth across our country, we are delivering our mission to make Britain a clean energy superpower, led by my right hon. Friend the Energy Secretary. Earlier this month, we announced a significant multi-year investment between Government and business in carbon capture and storage, creating 4,000 jobs across Merseyside and Teesside. Today, I am providing funding for 11 new green hydrogen projects across England, Scotland and Wales—they will be among the first commercial-scale projects anywhere in the world—including in Bridgend, East Renfrewshire and Barrow-in-Furness. We are kick-starting the warm homes plan by confirming an initial £3.4 billion over the next three years to transform 350,000 homes, including a quarter of a million low-income and social homes, and we will establish GB Energy, providing funding next year to set it up at its new home in Aberdeen.

Overall, we will invest an additional £100 billion over the next five years in capital spending—that is possible only because of our investment rule. The OBR says today that this investment will drive growth across our country in the next five years and, in the longer term, increase GDP by up to 1.4%. It will crowd in private investment, meaning more jobs and more opportunities in every corner of the UK. That is the choice that I have made: to invest in our country and to grow our economy.

Today, I am setting out two final areas in which investment is so badly needed to repair the fabric of our nation. My hon. Friend the Member for Lewisham West and East Dulwich (Ellie Reeves) and I joined the Labour party because of the condition of our schools in the 1980s and 1990s under Conservative Governments. When we were at secondary school, my sixth form was a couple of prefab huts in the playground. My school, like so many others, was rebuilt by the last Labour Government, but after 14 years of Tory government, progress has gone backwards: school roofs are crumbling and millions of children are facing the same backdrop as I did. I will be the Chancellor who changes that.

Today, I am providing £6.7 billion of capital investment to the Department for Education next year—a 19% real-terms increase on this year. That includes £1.4 billion to rebuild over 500 schools in the greatest need, including St Helen's primary school in Hartlepool, Mercia academy in Derby and so many more across our country. We will provide £2.1 billion more to improve school maintenance—£300 million more than this year—ensuring that all our children can learn somewhere safe. That will include dealing with reinforced autoclaved aerated concrete-affected schools in the constituencies of my hon. Friends the Members for Watford (Matt Turmaine), for Stourbridge (Cat Eccles) and for Hyndburn (Sarah Smith) and beyond, alongside investment in new teachers and funding for thousands of new breakfast clubs. This Government are giving our children and young people the opportunities that they deserve.

I come to our most cherished public service of all: our NHS. My right hon. Friend the Health Secretary is beginning to repair the damage of the last 14 years. In our first week in office, he commissioned an independent report into the state of our health service by Lord Darzi. Its conclusions were damning. While our NHS staff do a remarkable job, and we thank them for it, it is clear that in so many areas we are moving in the wrong direction. A hundred thousand infants waited over six hours in A&E last year. Three hundred and fifty thousand people are waiting a year for mental health support. Cancer deaths here are higher than in other countries. It is simply unforgivable.

In the spring, we will publish a 10-year plan for the NHS to deliver a shift from hospital to community, from analogue to digital and from sickness to prevention. Today, we are announcing a down payment on that plan to enable the NHS to deliver 2% productivity growth next year. These reforms are vital, but we should be honest: the state of the NHS that we inherited after—I quote Lord Darzi—

“the most austere decade since the NHS was founded”

means that reform must come alongside investment. So today, because of the difficult decisions that I have taken on tax, welfare and spending, I can announce that I am providing a £22.6 billion increase in the day-to-day health budget and a £3.1 billion increase in the capital budget over this year and next. This is the largest real-terms growth in day-to-day NHS spending outside of covid since 2010.

Let me set out what this funding is delivering. Many NHS buildings have been left in a state of disrepair, so we will provide £1 billion of health capital investment next year to address the backlog of repairs and upgrades across our NHS. To increase capacity for tens of thousands more procedures next year, we will provide a further £1.5 billion for new beds in hospitals across our country, new capacity for over a million additional diagnostic tests, and new surgical hubs and diagnostic centres so that people waiting for their treatment can get it as quickly as possible.

My right hon. Friend the Health Secretary will be setting out further details of his review into the new hospital programme in the coming weeks and publishing

in the new year, but I can tell the House today that work will continue at pace to deliver those seven hospitals affected by the RAAC crisis, including West Suffolk hospital in Bury St Edmunds and Leighton hospital in Crewe. And finally, because of this record injection of funding, the thousands of additional beds that we have secured and the reforms that we are delivering in our NHS, we can now begin to bring waiting lists down more quickly and move towards our target for waiting times to be no longer than 18 weeks by delivering on our manifesto commitment for 40,000 extra hospital appointments a week. That is the difference that this Labour Government are making.

The choices I have made today are the right choices for our country—to restore stability to our public finances, to protect working people, to fix our NHS and to rebuild Britain. That does not mean these choices are easy, but they are responsible. If the Conservatives disagree with the choices that I have made, they must answer: what choices would they make? Would they again choose the path of irresponsibility—the path taken by Liz Truss—and ignore the problems in our public finances all together? If that is their choice, they should say so. But let me be clear: if they disagree with my choices on tax, they would not be able to protect working people. If they disagree with our plans to fund public services, they would have to cut schools and hospitals. If they disagree with our investment rule, they would have to delay or cancel thousands of projects that drive growth across our country.

This is a moment of fundamental choice for Britain. I have made my choices—the responsible choices—to restore stability to our country and to protect working people. More teachers in our schools, more appointments in our NHS, more homes being built, fixing the foundations of our economy, investing in our future, delivering change and rebuilding Britain. We on the Government Benches commend those choices, and I commend this statement to the House.

PROVISIONAL COLLECTION OF TAXES

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

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

- (a) Value added tax (private school fees) (motion no. 34);
- (b) Stamp duty land tax (additional dwellings: purchases before 1 April 2025) (motion no. 35);
- (c) Stamp duty land tax (purchases by companies) (motion no. 37);
- (d) Rates of tobacco products duty (motion no. 46).—
(Rachel Reeves.)

Question agreed to.

Madam Deputy Speaker (Ms Nusrat Ghani): We come now to the motion entitled “Income Tax (Charge)”. It is on this motion that the debate will take place today and on the succeeding days. The questions on this motion and the remaining motions will be put at the end of the Budget debate on Wednesday 6 November.

Budget Resolutions

INCOME TAX (CHARGE)

Motion made, and Question proposed,

That income tax is charged for the tax year 2025-26.

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.—(*Rachel Reeves.*)

Madam Deputy Speaker (Ms Nusrat Ghani): I call the Leader of the Opposition.

1.53 pm

Rishi Sunak (Richmond and Northallerton) (Con): On the day that the Prime Minister took office, he said that he wanted to restore trust to British politics with action, not words. Today, his actions speak for themselves, with a Budget that contains broken promise after broken promise and reveals the simple truth that the Prime Minister and the Chancellor have not been straight with the British people. Time and again, we Conservatives warned that a Labour Government would tax, borrow and spend far beyond what they were telling the country, and time and again they denied they had such plans. Today, the truth has come out—proof that Labour planned to do this all along. Today's Budget sees the fiscal rules fiddled, borrowing increased by billions of pounds, inflation-busting handouts for the trade unions—*[Interruption.]*

Madam Deputy Speaker: Order. Just as we respected the Chancellor and heard her speak, we will hear the Leader of the Opposition.

Rishi Sunak: Britain's poorest pensioners squeezed, welfare spending out of control and a spree of tax rises that the Government promised the working people of this country they would not do. National insurance—up. Capital gains tax—up. Inheritance tax—up. Energy taxes—up. Business rates—up. First time buyer's stamp duty—up. Pensions tax—up. They have fiddled the figures.*[Interruption.]*

Madam Deputy Speaker: Order. The public will also want to hear what the Leader of the Opposition has to say. Those who I see shouting will not be called to speak later on. Simmer.

Rishi Sunak: Labour Members do not like it, but this is the truth: they have fiddled the figures and raised tax to record levels. They have broken their promises, and it is the working people of this country who will pay the price.

The Chancellor and Prime Minister have tried to say that they had no choice, but let us be in no doubt: their misleading claims about the state of the economy are nothing but a cynical political device. Today's situation is a world away from the genuinely bleak legacy that we Conservatives inherited from the last Labour Government. The Chancellor forgot to point out that borrowing was £1 in every £4 that they spent, with debt rising every year and unemployment at 8%. I understand the Chancellor's shameless political motivations and why it suits her to cook up a false justification for her agenda,

but today, the OBR has declined to back up her claims of a fictional £22 billion black hole. It appears nowhere in its report. It is deeply disappointing that she has sought to politicise the independent OBR, which should be above party politics.

As the Chancellor now knows, her playing politics has done real damage to our economy. She talked about being a Bank of England economist, but the Bank of England's former chief economist has said that Labour's approach has generated fear, foreboding and uncertainty among consumers, businesses and investors. The rhetoric of this Chancellor and this Prime Minister is damaging the British economy for political purposes.

We need only to look at the facts to see that the Chancellor's claims about her economic inheritance are nonsense. Labour inherited an economy with inflation back at its 2% target, mortgage rates cut and unemployment low. When we left office, the United Kingdom was the fastest growing advanced economy in the world. When it comes to the public finances, not once has the Chancellor acknowledged that we took the right decision to spend half a trillion pounds to protect the British people from the impact of covid and Putin's war. Let me remind the House that not only did the Labour party support all those interventions, it wanted us to go even further. When I made the tough choices to fix the public finances afterwards, the Prime Minister and Chancellor opportunistically opposed me every step of the way, so I will take no lectures from those two about difficult decisions. But because of the decisions we made, the Chancellor inherited lower borrowing than France, America, Italy and Japan, and the second-lowest debt in the entire G7. Any which way you look at it, Labour's claims about its inheritance are purely ludicrous. These are her choices, so stop blaming everyone else and take responsibility for them. *[Interruption.]*

Let me turn to the substance of those choices. During the election, the Chancellor repeatedly promised that her plans were fully funded. Only a few weeks ago, the Prime Minister said the Budget would "balance the books", but this Budget does no such thing and reveals that they have not been straight with the British people. *[Interruption.]*

Madam Deputy Speaker (Ms Nusrat Ghani): Order. I can see you even when you are hiding behind another colleague. Yelling across the Chamber is not on. The public—our constituents—are watching. I know emotions are high and I expect some noise, but I will definitely call you out.

Rishi Sunak: Today, the Chancellor has launched an enormous borrowing spree, saddling our children and grandchildren with billions upon billions of pounds of more debt, pushing up interest rates, leaving our economy more exposed to future shocks and leading the OBR today to now forecast higher inflation in every year of the forecast. Her decision to let borrowing rip makes a total nonsense of her claims on the state of the public finances. If they truly were in such a dire state, as she has said, what we should have seen today is a significant reduction in borrowing to repair them, not the splurge she has just unleashed. Instead, what we see is borrowing higher in every year of the forecast and debt higher in every year of the forecast.

Now, the Chancellor has tried to cover up that splurge by fiddling the fiscal rules. According to the Institute for Fiscal Studies, the new measure will not actually even be a constraint on the amount she can borrow. It says it is:

“hard to escape the suspicion”

that the Government are attracted to this change

“by the fact that it would allow for significantly more borrowing...without any need for tough choices elsewhere.”

“Fiscal fiddling” is what it has called it. The Chancellor herself actually agrees. She specifically told the British people she would not change the debt target. She said she was

“not going to fiddle the figures”

to get better results, but that is exactly what she has done. She has gone back on her word and fiddled the figures so she can borrow billions more—broken promise after broken promise, and working people will pay the price.

The reason the Chancellor has increased borrowing and increased taxes is because she has totally failed to grip public spending. First, she has no meaningful plan to deliver the £20 billion-worth of savings available if the public sector simply returned to its pre-pandemic levels of productivity. Instead, one of the first things the Chancellor did was to hand out inflation-busting pay rises to the unions without getting any productivity-enhancing reforms in return. The Chancellor also scrapped her predecessor’s plan to get the civil service back to its pre-pandemic numbers. She does not seem to think that the civil service can be reduced by a single person.

And the Chancellor has no plan to control welfare spending. Yet if we simply got working age welfare spending on people with a disability or health condition back to pre-covid levels, that would free up £30 billion-worth of savings. Whether it is scrapping our plans to shrink the civil service or their failure to control welfare spending, this is not her inheritance, these are her choices. The result: higher spending, higher borrowing, higher taxes. It is broken promise after broken promise, and working people paying the price.

Let me turn next to growth, and remind the Prime Minister and Chancellor that they did, in fact, inherit the fastest-growing economy in the G7. That is testament to the last Government boosting investment by introducing full expensing, increasing the labour supply by expanding childcare, reforming welfare and cutting tax on work—all decisions the OBR said would increase growth. The Chancellor has said that growing the economy is the Government’s No. 1 priority. The Prime Minister even said that higher growth would come “very quickly”.

To be fair, the Prime Minister and Chancellor have had a rapid impact on growth. As their plans for the economy became clear, survey after survey showed business confidence plummeting. No wonder the Government’s own assessment says their French-style labour laws will impose a £5 billion—[*Interruption.*] Labour Members will be explaining it to the businesses in their constituencies that their labour laws, by their own assessment, will impose a £5 billion direct cost on business, disproportionately hitting smaller businesses. As business group after business group has pointed out, the tax rises on jobs and enterprise in today’s Budget will “hobble growth”—a “poll tax on business” is what they have called it. Despite the record-breaking tax rises, despite fiddling the figures and despite

letting borrowing soar, today the OBR has forecast that growth will be lower under this Government than it was forecast to be under the Conservatives. That is the change they have wrought.

This is what happens when the Labour party is led by people who have no experience of business and enterprise: relentlessly talking down our economy, delivering a tidal wave of anti-business regulations, destroying our flexible labour market and raising taxes to the highest level in our country’s history. It is the classic Labour agenda: higher taxes, higher borrowing, no plan for growth, and working people paying the price.

During the election campaign, the Prime Minister specifically said there would be no tax surprises under Labour. The Chancellor went even further, saying she wanted to bring taxes down. Each time they made those promises, we warned that they were not telling the truth. Today, the Chancellor and Prime Minister have done what they were always planning to do, but chose to keep hidden from the British people. Far from reducing taxes, as a result of today’s Budget never in the history of our country have taxes been higher than they are under this Labour Government. They specifically promised that they would not raise tax on working people. The Chancellor said:

“Labour will not put up your income tax, national insurance or VAT.”

Just this month, the Prime Minister gave an “absolute commitment” to not raising tax on working people. What does today’s Budget do? It raises tax on working people by increasing national insurance and breaking Labour’s promise.

As the independent Institute for Fiscal Studies has said, this is a straightforward breach of Labour’s manifesto, because, as the Office for Budget Responsibility has made clear, this tax rise is “passed through entirely” to working people. Even since the Chancellor started speaking, the IFS has already confirmed that the vast majority of this tax increase will hit working people through lower pay. However, we do not need to take it from the IFS or even the OBR; we can take it from the Chancellor herself. She has previously described her tax rise as a “jobs tax” which

“takes money out of people’s pockets”.—[*Official Report*, 19 October 2021; Vol. 701, c. 675.]

And not only that—the Chancellor also said that the problem with national insurance

“is that it is a tax purely on people who go to work and those who employ them”.

Far from protecting working people, she is literally raising the only major tax that exclusively hits working people.

But it does not stop there. Businesses on the British high street: your taxes are going up. Businesses investing in British energy: your taxes are going up. The small business owner looking to reap the rewards of years spent growing a business and creating jobs: your taxes are going up. The young couple saving to buy their first home: your taxes are going up. The family—[*Interruption.*]

Madam Deputy Speaker (Ms Nusrat Ghani): Order. Mr Streeting, you promised me this morning. Let us try and keep our promises.

Rishi Sunak: I am sure that those on the Government Front Bench were wanting to explain to the young couple in their constituencies saving to buy their first home that their taxes are going up, and to the family wanting to pass on their farm or their business to their children that their taxes are going up. The parents sacrificing to give their kids the best start in life: your taxes are going up. They are taxing your job, they are taxing your business, they are taxing your home, they are taxing your savings. I said during the election campaign:

“You name it, Labour will tax it”,

And that is exactly what the Government have done, with broken promise after broken promise and working people paying the price.

For the final time from this Dispatch Box, let me deliver some basic truths. A Government can foster growth, but they cannot magically conjure it up. We need businesses, workers, investors and entrepreneurs to all back this country and build our economy. It does not matter whether your income comes in a pay packet, from investments, in dividends or in profits. It is a poor politics that is so focused on what people receive that it fails to see that what matters is what people put in. The only way to grow the economy and to create wealth is for people to put in more, so when you create a negative environment for business, when you undermine confidence in our country, when you vilify and penalise people for doing exactly what we need them to do, which is to invest, take risks and work hard, you do not create growth; you hold back growth—and more than that, the promise of growth tomorrow does not pay the bills today. This is not the first Government to peddle the “borrow to grow” myth, but time and again we have seen the same ending: not higher growth, but higher debt, higher inflation, and higher taxes.

But, Madam Deputy Speaker, whatever you think about the economic arguments surrounding today’s Budget, there is a more fundamental point with which I want to conclude. The Prime Minister has talked relentlessly about trust, yet today’s Budget reveals above all that those in the Labour party did not tell the truth. They said they would not fiddle the figures; they have. They said they would not increase borrowing; they have. They said they would not raise taxes on working people; they have. There has been broken promise after broken promise, and it is the working people of this country who will pay the price.

Dr Ben Spencer (Runnymede and Weybridge) (Con): On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker (Ms Nusrat Ghani): It had better be a genuine, relevant point of order.

Dr Spencer: I wonder if you could give me some advice, Madam Deputy Speaker, because I fear that the Chancellor may have inadvertently failed to declare an interest. She spoke a great deal about working people during her speech. Is she a working person, and should she declare that? Or maybe she isn’t.

Madam Deputy Speaker: That was not a relevant point of order, and it will be noted in case the hon. Gentleman wishes to put forward any further points of order. I now call the Chair of the Treasury Committee.

2.15 pm

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): Before I begin, I must—as well as drawing the House’s attention to my entry in the Register of Members’ Financial Interests—draw its attention to the fact that I have a family member who works for Allied Irish Bank.

I have been looking forward to today. I feel honoured to have been chosen by this House, on a cross-party basis, to chair the Treasury Committee, and to be the first Labour Treasury Committee Chair to welcome the Budget of a Labour Government and our first female Labour Chancellor. I thought that, after a 14-year wait, this would be an exciting moment; and in a moment of sentimentality, realising that for the second time today I would be following the right hon. Member for Richmond and Northallerton (Rishi Sunak), I was going to reflect on an interesting constitutional position. When I was in my former role as Chair of the Public Accounts Committee, there was common ground at times with the Prime Minister of the day. In private, when I had cause to meet the right hon. Gentleman, he was courteous, thoughtful and respectful, had the national interest at heart, and, when it came to constitutional matters, was in very much the same place as me. I was therefore very disappointed today by the cheek of the right hon. Gentleman in standing up and having the chutzpah to talk about fear, foreboding and uncertainty.

It was the 2022 mini-Budget that plunged the country into crisis, put up the mortgage rates of our constituents, and is still leaving people living in great hardship. It was on the right hon. Gentleman’s watch as Chancellor—although he did some things about covid that we would all recognise needed to be done, and we recognised it at the time—that the bounce back loans led to a significant amount of the fraud that resulted from covid. Now my right hon. Friend the Chancellor has stood up, and what has happened? The FTSE is up—and it has gone up by more since I stood up, by 1.6 percentage points, unless anyone can update me—and the OBR has said that this will add growth to the economy.

The right hon. Gentleman also attacked the Chancellor on fiscal rules. Let us be clear: fiscal rules are not a new thing. Since 2011 there have been seven fiscal mandates, five supplementary debt targets, two supplementary borrowing targets, and an investment limit. The rules set in 2011 lasted three years, but in the last three years we have had three different fiscal mandates, two different supplementary debt caps, and one supplementary borrowing target. I think the Chancellor knows that when she is in front of the Treasury Committee we may challenge her and ask her about her fiscal rules, but I have certainty—we all have certainty—that she will be in her post for long enough to stick to the fiscal rules that she has set. They will have a longevity beyond the previous Government. I welcome this Budget, and pay tribute to my right hon. Friend. The UK’s first woman Chancellor stood at that Dispatch Box, and another glass ceiling was shattered. She should be proud; we are proud, and I congratulate her on that achievement.

It is my first Budget as Chair of the Treasury Committee. I have spent 13 years examining public spending in enormous detail, including nine years as Chair of the Public Accounts Committee. Like me, the Chancellor was a scrutineer: she chaired the Business and Trade Committee, and she understands the importance of scrutiny.

I am very clear that the Treasury Committee will not give the Chancellor an easy ride, because she is a highly capable woman who can come and explain all her decisions to us. She knows that it is our job to rigorously examine the detail of the Budget next Wednesday, when she will appear in front of us. She will be getting a bit of what she dished out as Chair of the Business and Trade Committee. I know that she will expect nothing less than robust challenge—if she were not up to it, she would not be in her post.

I have to say that I am disappointed that so much of this Budget was revealed before today, which is not normal practice. Going forward, I hope that constituents and the MPs representing them will be the first to know about major issues, and that courtesy to this House and the Treasury Committee will be a hallmark of Treasury engagement.

This Budget comes at a very exciting time, but it is a difficult one for the Chancellor. She has made it very clear that she will deliver certainty, and she has inherited one hell of a mess. We have had a tumultuous period: Brexit, the pandemic, the mini-Budget, 14 years of austerity, delayed and failed decisions, particularly on capital spending—we have had three carbon capture and storage projects that have never come to fruition—the saga and cost of stop-and-start on High Speed 2, 700,000 pupils in schools that are not fit for purpose, public services on their knees, and public sector net debt at its highest rate since the second world war.

Dame Harriett Baldwin (West Worcestershire) (Con): I congratulate the hon. Lady on her unopposed election as Chair of the wonderful Treasury Committee. Does she share my concern that the individual who has been appointed to the office for value for money was previously on the board of HS2?

Dame Meg Hillier: The hon. Lady is a former Chair of the Treasury Committee and I welcome her being a member of it, as she will add great value. As she knows, we will have the opportunity to raise questions with the Chancellor at next week's hearing. She has now been forewarned that the hon. Lady may ask about this issue. It is important that we recognise good people who provide support in the public sector by watching our public finances, and I always take people on good faith unless I have a reason not to do so. We have an opportunity to explore this issue elsewhere.

As a share of GDP, taxes are higher than at any time since world war two. Before the election, my right hon. Friend the Chancellor was tough on spending commitments, and sometimes there was a bit of moaning in the Tea Room. I do not want to tell tales out of school, but shadow Ministers were dismayed because they could not spend everything that they wanted to spend. As Chair of the Public Accounts Committee at the time, however, I knew what she was talking about and that what was coming was not going to be pretty, so I welcome some of the steps that she has announced today. I have not had a chance to look in the Red Book or at the detail, but the multi-year funding settlements that she has put in place are a great opportunity to give certainty to business and investors in our country. Hopefully, we will finally nail the issue of HS2, which has cost the taxpayer a fortune. We need to get on with that in order to make sure that we are delivering investment for our country.

I look forward to seeing the detail on cladding, but it is a big issue in my constituency, where many people's lives are on hold as a result. The money for affordable homes is incredibly vital for those living in difficult situations, and the Chancellor is absolutely right to have finally funded the compensation schemes for infected-blood victims and for postmasters and postmistresses. When the state makes an error, the state needs to correct it. It should never be a party political football.

The Chancellor has had to make tough choices, and she has set out her fiscal rules to provide clarity to the markets and a long-term trajectory for investment and growth. We on the Treasury Committee will watch net financial debt closely to see how the benefit is measured, and it is important for taxpayers and the market that we do so. She will be more aware than anyone about the impact on the market if she does not manage debt very carefully. International investors may use the existing debt model, so when she comes in front of the Treasury Committee, I would be interested in talking to her about how she sees this playing out in the international arena.

Dame Caroline Dinenage (Gosport) (Con): I have enormous respect for the hon. Lady, given her previous role and her important new role as Chair of the Treasury Committee. As the Chancellor will be coming to see the Committee shortly, could the hon. Lady put a question to her on my behalf. We all know that we can learn lessons from previous Budgets about the law of unintended consequences. The thing that most concerns me in this Budget is the combination of raising employers' national insurance contributions, cutting the threshold at which they start paying NI, and raising the minimum wage. Could the hon. Lady ask the Chancellor whether there will be special support for businesses that employ a lot of people on low wages, such as care homes and childcare settings, which will be most impacted by the measures? Otherwise, the costs will be passed on.

Dame Meg Hillier: The hon. Lady is a very experienced Member of this House, and she has made her point. She will no doubt have the opportunity to speak in this Budget debate, and there will be plenty of opportunities across the Committee corridor. I welcome her as a fellow Chair. Committee Chairs are already planning how we will work together to ensure that we hold the Government to account, whichever party we represent.

The fiscal rules are designed to provide fiscal certainty and predictability, to bring a sense of discipline to the public finances, and to reassure the markets, as I have mentioned. I welcome that stability, as will the markets, as the FTSE increase suggests. Given the headroom that the Chancellor has secured under the new rule, the Treasury Committee will be watching how much she invests, because we need to see the growth that she has set out as her goal. That must be sustainable, so it needs to be productivity growth. There is no single solution, but analysis by the Resolution Foundation found that a 1% increase in capital stock increases productivity by 0.4%. We will look closely at this, and at the spending review in 2025.

On tax, the increase in employers' national insurance to 15% is an understandable measure. It is always challenging to find money in these difficult fiscal circumstances, but the increase brings money into the Exchequer at a faster pace than some of the other measures that were mentioned in the media. I have a

[*Dame Meg Hillier*]

wide approach to reading about things. If we read *The Daily Telegraph*, we will think the world is going to hell in a handcart, but if we read more measured commentary, we will find that the Chancellor is judged well on what she has achieved today.

As the hon. Member for Gosport (Dame Caroline Dinenage) said, there are concerns about how the measures in the Budget interact. Alongside sister Committees, we on the Treasury Committee will examine those.

Tim Farron (Westmorland and Lonsdale) (LD): Will the hon. Lady and the Treasury Committee look very carefully at the Chancellor's proposals on agricultural property relief? They are very likely to do damage to small, family-owned farms, and especially to tenants, who are likely to be evicted as a consequence. Will she look at what that might do—not just for basic justice, but for food security in this country?

Dame Meg Hillier: If I were the sort of person to get big-headed as a result of the number of Members asking me to do things that are probably not within my remit, I could extend the remit and the power of the Treasury Committee infinitely. Of course, it is the right hon. Member for Orkney and Shetland (Mr Carmichael) who chairs the Environment, Food and Rural Affairs Committee. As I say, we Chairs are planning to ensure that we work closely together on issues where there is an overlap of interests, and we will pick up on all these issues. The Government have promised openness, transparency and accountability, and I take my Front Benchers at their word on that. I am sure that the Chancellor and her Ministers will be available to talk to people and address Members' concerns about specific elements of the Budget.

I welcome some of the other measures that have been announced. The increase in the national living wage will make a huge difference for so many of my constituents. They work hard and are certainly not shirkers, as some Conservative Members might call them, but they can barely make ends meet. In my constituency, many people work four days a week because they earn enough to be able to do so. Others have four jobs over seven days, just to hold body and soul together. I welcome the increase and the removal of age discrimination.

The devolution model makes so much sense in so many ways. On the Public Accounts Committee, we repeatedly looked at the challenge of bidding for pots of funds, which is costly and time-consuming. We need to trust our elected Mayors to make decisions for their area, and the model shows the direction of trust that, hopefully, this Government will continue to go down.

Before the last general election, I listed what I called the big nasties. This was just some of the additional spending that needed to take place on things that had been left, sometimes by the previous Government and, sadly, sometimes by successive Governments. These issues included the reinforced autoclaved aerated concrete failure in schools—I welcome the move finally to deal with that—the long waiting lists in the NHS and overcrowded prisons. From the Red Book, it looks as though the Justice Department has had an uplift, although it is difficult to make a full judgment on that in the few minutes I have had to glance through it.

Other things such the Animal and Plant Health Agency in Weybridge and Porton Down need investment. These are risky things not to invest in. There is going to be a challenge in public spending even with the increase. Although the increase is welcome, the growth that the Chancellor has called for and is trying to achieve will be required in order to deliver and ensure that we see the spending that we need. Even with the uplift that she highlighted—the 1.5% from next year in day-to-day spending—this is a very tight financial situation for all Government Departments.

The boost to the Department of Health and Social Care is staggering, and welcome. I am sure that the Public Accounts Committee, the Treasury Committee and the Health and Social Care Committee will, among us, hold the Health Secretary to account for his promises to make sure that that is spent well and delivers permanent and lasting change. Also, the capital investment is desperately necessary. It is not that long ago that the previous Government raided capital budgets for day-to-day spending in the NHS. That cannot be allowed to continue.

The investment in defence is also absolutely necessary. There is a huge gap in the defence equipment plan, which I know my right hon. Friend the Chancellor is all over, and she is right to make that increase. I look forward to the path to 2.5% of GDP on defence; never again should we be going below that.

Local government, although it has had a boost, is going to be very squeezed. Again, we will be working with sister Committees to look at that.

The Chancellor also promised to close or reduce the tax gap. That is very bold, and difficult to deliver, so again the Committee will be looking closely at how it is dealt with, as well as at the recovery of fraud moneys, which can be challenging to deliver in any particular timescale.

Sir Geoffrey Clifton-Brown (North Cotswolds) (Con) *rose—*

Dame Meg Hillier: I will give way to the Chairman of the Public Accounts Committee.

Sir Geoffrey Clifton-Brown: I thank the Chair of the Treasury Committee and congratulate her on her new role. There was one very welcome bit of the Budget today, and that was the funding for the infected blood scheme and the Post Office Horizon scheme, but will she join me in urging the Chancellor to ensure that those amounts are quickly paid out, so that those victims, whom we hear about almost every day in the media, are rapidly compensated and can get their lives back to normal?

Dame Meg Hillier: It seems that the Chair of the Public Accounts Committee—this is something the hon. Gentleman and I have in common—hears promises made by Governments of different colours who do not always deliver as they should. He is absolutely right. In fact, the National Audit Office, at my request, pulled together a document looking at compensation schemes. They are often put together differently—although these particular schemes have now been set—and some do not deliver as well as others. Windrush is also in that mix. This is important, and perhaps the hon. Gentleman is offering his services to the Chancellor to ensure that that money gets out of the door. Of course, his Committee will be examining these programmes as time goes on.

It gives me great pleasure to respond to the Budget today and to welcome a Labour Chancellor to her place. I wish her well, and I wish the Labour Government well, of course. I want to see these results on the ground in my constituency. As I say, the Chancellor will appear in front of our Committee, without fear or favour, over the coming years and we will be challenging her and her Ministers to make sure that they stick to the promises that she has laid out today.

Madam Deputy Speaker (Ms Nusrat Ghani): We now come to the leader of the Liberal Democrats, Sir Ed Davey.

2.33 pm

Ed Davey (Kingston and Surbiton) (LD): It is a pleasure to follow the Chair of the Treasury Committee, the hon. Member for Hackney South and Shoreditch (Dame Meg Hillier), and I wish her all the best in her new role, especially given her promise to scrutinise this Budget very, very closely. I join her in noting that this is an historic day. This is the first Budget to be presented by a female Chancellor, and I congratulate the right hon. Member for Leeds West and Pudsey (Rachel Reeves). I am sure that she is blazing the trail for the women and girls who are watching our proceedings today.

There can be no doubt about the enormous task facing the Chancellor. After years of chaos and decline under the Conservatives, their appalling economic legacy, set out so clearly in the figures today, is being felt by people across the United Kingdom. People were looking to this Budget for a clean break with those failures of the past few years, and for a sense of hope and urgency and the promise of a fair deal, but I fear that the Budget will not deliver all that. The Conservatives left behind an enormous mess in our NHS, but I am afraid it will not be fixed unless the Government fix social care, too. The cost of living crisis will not be solved by hitting families, pensioners, family farms and struggling small businesses, and our economy will not grow strongly again unless we repair our broken relationship with Europe. Liberal Democrats will continue to stand up for our constituents and press the Government to be far bolder and act much faster on people's priorities.

Having said that, let me recognise that there were some good things in the Budget. I welcome the Chancellor's decision to move away from the Conservatives' broken fiscal rules to allow the capital investment that our country so desperately needs. I was genuinely surprised that there was no recognition from the Leader of the Opposition of the difference between capital and current spending, which is at the heart of this change. I welcome the promise of full compensation for the victims of the contaminated blood scandal and the Horizon scandal, and I hope that that can be delivered quickly.

I also welcome the extra investment in our NHS. Fixing the crisis in our NHS is literally a matter of life and death. It is also essential for growing our economy, by getting people off waiting lists and getting them fit and healthy and back into work. The Conservatives left the health service on its knees. We on the Liberal Democrat Benches have consistently argued for more investment across the NHS—in hospital buildings, extra GPs, cancer nurses, new radiotherapy machines and much more—so I am glad that the Government and the Chancellor have been listening.

However, people have heard bold promises of extra GPs and new hospitals before. The Conservatives made similar promises on the NHS and then broke them, so what we need now is a guarantee that this Government will deliver. I can assure the Chancellor that Liberal Democrats will hold the Government to account on their NHS plans, and I hope that the Budget document sets out in full the answers to some obvious questions. When will the funding be in place for desperately needed hospital projects, and when will those projects be completed? When will the Government be able to guarantee that people can see a GP or an NHS dentist when they need one? When will all cancer patients be able to start treatment within the 62-day target and not have to wait for months? When will people know once more that when they call an ambulance it will be there within minutes, not hours?

Above all, as I have said before, I worry that despite the welcome extra investment announced today, the Government will not be able to fix the NHS because they are ignoring the elephant in the NHS waiting room: the crisis in social care. We all know how bad it is. Hundreds of thousands of people are waiting for care, and many are stranded in hospital beds because the care is not in place for them to leave hospital. That is bad for them, bad for their loved ones and bad for the NHS. I am afraid that today's announcement on social care just will not touch the sides. It is only a standstill in a crisis. Unless we finally tackle this problem and agree a long-term solution for social care, we will never end the crisis in our health service, so I urge the Government once again to start cross-party talks on care without further delay and to take action now.

Any solution must involve paying care workers properly to fill the 130,000 care worker vacancies, so that elderly and disabled people can get the care they need. The Government's plan for a fair pay agreement is a step in the right direction, but it is nowhere near enough, so will the Chancellor look at our plans for a special higher minimum wage for carers? And we must not forget the vital role of unpaid family carers—the heroes keeping the entire system afloat. I strongly welcome the Chancellor's decision to raise the earnings limit for carer's allowance. It is a good first step, but as she accepted in her speech, on its own it will not end the repayments scandal or fix the system. Will she confirm whether the earnings limit will, in future, be pegged to at least 16 hours a week at the minimum wage? Although I am glad that the review will look again at getting rid of the cliff edge for carer's allowance and the earnings limit, I hope she and her colleagues will consider a broader review to give family carers the support they deserve.

The Conservative cost of living crisis has hit family carers particularly hard, but they are not alone. Practically no one has been left untouched by rising bills, higher mortgage payments and soaring food prices. Our small businesses and the self-employed have experienced a crisis of their own, having had to deal with the pandemic and now spiking energy prices and other input costs. The Conservatives only added to that pain by hitting struggling families with stealth tax rises, by betraying pensioners when they broke the triple lock, and by raising national insurance for our small businesses.

I welcome the increase in the national minimum wage as it addresses the cost of living, although I urge the Chancellor to extend this higher wage to apprentices, too.

[Ed Davey]

However, it is concerning to see the Chancellor repeat a number of the Conservatives' past mistakes. Raising employers' national insurance is a tax on jobs and people. The OBR report published today shows that the Budget will reduce real household incomes and worsen the health and care crisis by hitting thousands of small care providers. Hitting family homes with changes to inheritance tax will not help, and cutting winter fuel payments will leave millions of vulnerable pensioners worried sick this winter.

Instead of adopting Liberal Democrat proposals to raise the money we need, such as by reversing Conservative tax cuts for the big banks or by asking the social media giants to pay a bit more, the Chancellor has chosen unfair tax hikes that will hurt small and medium-sized businesses, which are the engines of our economy. They have already paid too high a price for Conservative economic failures, and forcing them to pay even more simply is not right.

Another Conservative mess that I fear this Budget will not begin to clean up is the crisis in local council funding. Year after year, the previous Government slashed funding while asking councils to do more and more. The result has been nothing short of a disaster. Spiralling social care costs are a huge part of this, which is yet another reason why reform is so vital.

There is another black hole in council budgets due to the broken system for special educational needs and disabilities. The extra £1 billion announced by the Chancellor is therefore welcome, and I pay tribute to my colleagues, not least my hon. Friend the Member for Twickenham (Munira Wilson), who have campaigned so hard on this. However, I fear that the crisis in SEND budgets left by the Conservatives is much bigger.

Last week, the National Audit Office laid bare the sheer scale of the problem, with half of children waiting more than the 20-week limit for an education, health and care plan, and with 43% of councils at risk of bankruptcy. The severity of the crisis left by the Conservatives speaks for itself, so we need to act with even greater urgency to tackle it. We will press the Government to give the House a clear timeline for reform, because neither children, parents nor councils can wait any longer.

The Chancellor has said that her main objective is economic growth, and she is right. We all agree that we need to get our economy growing strongly again to create jobs and opportunities for everyone, and to raise the money that our public services need, but we need a real plan to do that and not just stop things getting worse or return to business as usual. We need to build the economy of the future—one that is genuinely innovative, prosperous and fair.

Part of that is about fixing the health and care crisis, which will be crucial, as will managing the public finances responsibly and giving businesses the certainty and stability they need to invest in our economy. We must also invest in cheap, clean, renewable power to drive a strong recovery, to bring down energy bills and to create secure, well-paid jobs. I welcome the steps that the Government have taken so far, but we must do more to back small businesses. They are the beating heart of our local economies, so I urge the Chancellor to go beyond today's announcement on business rates by making an historic change to overhaul the broken business rates

system that is destroying our high streets and town centres. Tinkering around the edges is simply not good enough any longer.

One final crucial ingredient of growth is fixing our broken relationship with Europe. Removing the Conservatives' trade barriers would be a massive boost for British jobs, British business and the British economy. By ruling out important steps such as a youth mobility scheme or key long-term goals such as membership of the single market, the Government are trying to grow our economy with one arm tied behind their back.

In July, the British people kicked out of office one of the most damaging Governments in our country's history. On the Conservatives' watch, we saw living standards fall, the economy stagnate and public services decline. Although no Government would have an easy time turning that around, people were looking to this Budget for hope and a genuinely new direction. They were looking for urgent action to fix the health and care crisis, for a break from the previous Government's tax mistakes, for a plan to grow our economy and to rescue local councils that are on the brink, and for a fair deal.

Yes, the Chancellor had to make big, difficult decisions, but I fear that she has got too many of them wrong. We needed a different Budget to repair the damage done to our country and to give people the fair deal they deserve. For our constituents, Liberal Democrat Members will push the Government to do far more for our economy, for the NHS and for care—those are the things that the Liberal Democrats will always champion.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the Chair of the Business and Trade Committee, which is my old Select Committee.

2.46 pm

Liam Byrne (Birmingham Hodge Hill and Solihull North) (Lab): I congratulate our first female Chancellor on delivering an outstanding Budget. It is a great pleasure to speak in my first Budget debate for 14 years, and I think that period of silence was probably appreciated more by my own party than by any other.

When I look back on those debates, which I listened to even though I did not speak, it is striking that the curtain has finally fallen on an economic philosophy, an economic approach and an economic settlement that has fundamentally failed this country. Over the past 14 years, we have witnessed something akin to "The A.B.C. Murders" of the British economy—austerity and a bungled Brexit, followed by chaos.

I see clearly how today's Budget is a very different kind of settlement. It honours the approach, the compassion, the intelligence and the judgment of the last Budget presented to this House by my good friend, mentor and boss, Lord Darling, in March 2010. Alistair Darling is much missed in this place. [HON. MEMBERS: "Hear, hear."] He was a man of dry wit, patience, tenacity, kindness and compassion. I have no hint of reservation in my mind in saying that this is a Budget of which he would have been proud, because it strikes the right balance. All Budgets are a balance, as we ask Chancellors not only to balance the numbers but, more importantly, to balance the interests of our country.

Compared with the Budget in March 2010, the Chancellor's task today was far harder. Back in 2010, we tried to present a Budget that would remedy a deficit opened up by the greatest financial crash since the 1930s.

Sir Desmond Swayne (New Forest West) (Con) *rose*—

Liam Byrne: We aimed to get the right balance between spending restraint, budget rises, growth and time. Balancing those four ingredients was at the heart of any Budget judgment, and our judgment would have halved the deficit within four years and seen debt falling by 2016. Our obsession was to avoid the double-dip recession that had been experienced in Japan and to ensure we escaped the perils of widening inequality that we had seen in the United States. Mr Osborne chose a different path, and he was supported by the right hon. Member for New Forest West (Sir Desmond Swayne), to whom it is my pleasure to give way.

Sir Desmond Swayne: The reality, as the right hon. Gentleman knows because he wrote to his successor about it, is that he left us with a deficit that stood at fully 10%, as against the 4.3%—and in sharp decline—that we have bequeathed to this Government.

Liam Byrne: Let us be really clear about what has been bequeathed to this Government. The right hon. Gentleman is right that back in 2010, at the height of the financial crash, the deficit went up. What happens in a financial crash is that the economy has a heart attack: spending continues, because to cut spending would be to deepen a recession and turn it into a depression, tax receipts fall off a cliff, and the role of Government is to sustain a country through that kind of crisis. The deficit rose to £154.4 billion, yet today how much interest do we pay on the debt we have been bequeathed? We pay £104 billion in interest alone, which is almost the entirety of the deficit we had back in 2010.

It is important for the House to recognise that that happened because Mr Osborne chose a balance that was different. He chose to load his austerity programme on public spending cuts. Actually, he eventually arrived at the same settlement that Labour proposed in 2010, but he took four or five years to get there and he put the economy into recession. If memory serves me correctly, he blamed it on some light snow. That austerity programme was followed by a Brexit that was bungled, and then the chaos of the former Prime Minister.

Emily Darlington (Milton Keynes Central) (Lab): Does my right hon. Friend recall that the previous Labour Government oversaw the fastest economic recovery from the international incident? The economy was back in growth by the time of the election because of investments like over £20 billion for research and development, so our economy could compete in the race to the top, not the race to the bottom that we saw under the previous Government?

Liam Byrne: Correct. In a way, that is the point that I am gently trying to make to the House, with a very brief and, everyone will be pleased to hear, soon-to-conclude lesson in the fiscal consolidation of the last 14 years.

Austerity, a bungled Brexit and chaos left us with a growth rate that fell from an average of 3% in the Labour years down to 1.6% over the last 14 years. We had tax forecasts that failed time and time and time again; living standards that simply did not rise in the last Parliament; productivity growth that collapsed from about 2% a year to about 0.5% a year; inequality that soared; and, as I have just rehearsed, debt that multiplied to an extraordinary £2.7 trillion.

In the old days, we used to have debates about whether the roof had been fixed while the sun was shining. The reality is that for the last 14 years, the Conservative party has been trying to patch the roof by ripping out the foundations of our economy. That approach has drawn to a close today. We have only got through the last 14 years because of the ingenuity, fortitude, kindness and compassion of the people we represent. Those people deserve a better approach and that is what they got from the Chancellor today. We have an approach that Alistair Darling would have well appreciated: a Budget balanced not simply in the numbers, but in the balance of interests.

If we look at the numbers in the Red Book, we can see the guts of that different approach. Everybody knows—we might as well be honest in the House today—that the original sin of the British economy is a failure in the investment rate. Over the last 14 years, the approach to trying to stimulate development has relied on tax cut after tax cut after tax cut after tax cut. Today, the Chancellor has ended the insanity of trying the same thing over and over again, expecting different results.

The capital investment delivered by this Budget will see £104 billion extra being surged into the economy. The Chancellor was absolutely right. Last week, at the annual meetings of the International Monetary Fund and the World Bank, we heard a clear message from the IMF that unless we raise the fixed rate of investment in our economy, we are not going to improve living standards or the growth rate, and we are not going to pay down the debt, so the Chancellor's approach is extremely welcome.

The Budget forecast shows that over the forecast period, we will now see the rate of fixed investment increase in our economy by between 6% and 7%. That is still probably not enough to catch up with our competitors, but it is a hell of a good start and, crucially, it is a departure from the failed economic philosophy for stimulating investment of the last 14 years. After 14 years of failure, it was time to try something new, and that is what the Chancellor has given us today.

That allows us to strike a new bargain with business. We can say to the business community, "Look, we will put £104 billion extra of capital investment into the economy. We will make sure you have the roads, the railway systems and the digital infrastructure that you need for your markets to function. We will make sure you have a workforce that is actually healthy and well, fit for work and well-trained. We will make sure there is investment in the skills you need in your business, and we will make sure your workers stand a hope in hell of getting a home somewhere near their work. We will make sure there is investment in research and development." Why? Because if we put all of that together, we will have the greatest entrepreneurs in the world.

Our entrepreneurs have been making history by inventing the future since the age of the industrial revolution, but they need good people, good ideas and access to capital markets, which they do not have today. This Budget begins to make that available.

Sarah Gibson (Chippenham) (LD): Will the right hon. Gentleman and the Chancellor remember that working people also live in rural areas? I was disappointed that the word "rural" was mentioned only twice in an hour during the Chancellor's speech, and then only as an aside. No mention was made of the south-west of England, where there are serious pockets of deprivation—

Perran Moon (Camborne and Redruth) (Lab): Except Cornwall.

Sarah Gibson: Except Cornwall, but no towns. No mention was made of the rest of the south-west, where we suffer from a lack of public transport. Does the right hon. Gentleman agree that access to public transport and primary care is vital for working people in rural areas?

Liam Byrne: I agree 100%, but I say gently to right hon. and hon. Members across the House that that is not free. If we want to ensure that there are good transport links and digital links, that the workforce is healthy, well and trained, and that there is a rich ecosystem of ideas, the money has to come from somewhere. The sensible decisions that have been made to increase borrowing in order to fund a higher level of fixed capital investment are wise. Investment in public services is wise too. I very much hope that that will benefit the hon. Lady's constituency.

An increase in investment on the scale we have seen today will improve the profitability of businesses in this country. The Business and Trade Committee looks forward to scrutinising the detail and ensuring the Government have got the balance right, because, goodness knows, it is hard enough to get the balance right in a Budget, never mind translating it into legislation. That bargain for business has to consist of two sides: on the one hand, we will create a better business environment through higher capital investment, but on the other we have to give workers a pay rise.

The labour share of income in this country has fallen precipitously since the 1950s. If the labour share of national income was as high today as it was in 1955, on average a worker would be receiving a pay packet this year that was over £7,000 bigger. That is why we have to get the balance right between ensuring that businesses are more profitable and ensuring that workers are getting their share of national income. Getting the balance right is difficult. Like my hon. Friend the Member for Hackney South and Shoreditch (Dame Meg Hillier), the Chair of the Treasury Committee, my Committee and I will scrutinise that in detail. We will begin that work when we see the Secretary of State for Business and Trade in front of our Committee in just a couple of weeks' time.

My final point is about where I wanted the Chancellor to go further. Among the worst of her inheritance is the yawning gulf in inequality that scars our country. We have a moral emergency in Britain: sales of superyachts, luxury cars and big mansions are at an all-time high, but, at exactly the same time, the queues for food banks have never been greater. There is no mystery to that. Over the past 14 years, the combination of easy money and low taxes on capital income has meant that the top 1% in our country—the luckiest 1%—are 41 times richer than everybody else. Did they work 41 times harder? Are they 41 times cleverer? Did they win the lottery? Well, in a way they did, because £850 billion-worth of quantitative easing held interest rates in our country down by about 1%. That triggered three quarters of the rise in asset prices that we have seen over the past 14 years. Of course, people in the top 1% will own assets and will have seen a windfall gain, yet the rate of tax they pay on those capital gains is just half the top rate of marginal tax.

I am sorry that the Leader of the Opposition is no longer in his place to hear me say this, but he did a good thing a couple of years ago, which was to publish his tax return. I am sure that all hon. Members will have read it—it does not take long, as it is only a page long. It declares an income of £2 million and a tax rate of 23%. At a time when so many people in our country are paying a top marginal rate of more than 47%, I do not think that it is morally right that those with broader shoulders are paying much lower tax rates. I would have liked to have seen the Chancellor go further on capital gains tax.

I welcome the changes to the non-dom and inheritance tax regimes, but I would have proposed other changes as well. If we had truly restored fairness to the tax system, we could have raised money to increase the national wealth fund and opened the opportunity, for the first time, of paying dividends into a universal savings account for every young person in this country. That would have helped them get a foot on the housing ladder, repay their student debt, invest in their training, or kickstart savings for their pension. That would have helped us to create a universal basic capital system in this country. We will need a system like that if we are to fix the scandalous inequalities of wealth that now bedevil our country. None the less, I accept that the Chancellor had to put first things first today. She had to fix the foundations, because, as all of us in this House know, if we get that job done well, the best years for this country truly lie ahead of us.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the Father of the House.

3.2 pm

Sir Edward Leigh (Gainsborough) (Con): It is a pleasure to follow the right hon. Member for Birmingham Hodge Hill and Solihull North (Liam Byrne). He said that Alistair Darling was his hero. My hero was Nigel Lawson, because I am personally convinced that the way to create growth and prosperity is to flatten and lower taxes. I think I have sat through 45 Budget statements in this House. They are quite exhausting, and I am quite cynical about the whole process. Normally, large amounts of good news are given out during the Budget statement when we are all sitting in the Chamber, but when we read the Red Book the next day we find that we are probably paying even more tax than we were before—everything has been taken back. However, this time, the pain has been loaded up front, so I suppose we should be grateful for small mercies. I am sure the Chancellor of the Exchequer would claim that she is just being honest, but the Budget is, none the less, a massive expansion of tax and spend. Governments who indulge in massive expansions of tax and spends are Governments who gradually impoverish countries.

More and more people—even those just surviving on a state pension—will be dragged into tax. People on higher incomes will be dragged into paying ever higher rates of tax. The right hon. Member for Birmingham Hodge Hill and Solihull North made the classic attack on the top earners, but 1% of top earners pay 30% of all tax revenues. If we simply tax people more and more at the top end of the scale, we will get less enterprise, less growth, and those people will leave the country. It is a vicious circle, and it does not work.

Liam Byrne: I am incredibly grateful to the Father of the House for giving way, which is characteristically generous. I think we would both agree that his inspiration and mentor, Nigel Lawson, was not a hoary old socialist, but, of course, he was the one who equalised the top rate of tax and the rate of capital gains, and I did not see people fleeing the country back then.

Sir Edward Leigh: The right hon. Gentleman and I could have an argument about history, but I would still defend my mentor and, even more so, the Prime Minister at that time, Margaret Thatcher, until the day I die, and we would just have to disagree on that. That is our philosophical foundation.

I could devote my speech to an attack on the Labour Government. There is plenty of ammunition to do so. The leader of my party has just given a brilliant exposé of their weaknesses. However, I want to take the debate a bit further and not be too party political. The British state has fundamental problems. Members can criticise the previous Government for not having the time or the courage to deal with things, or they could say that we were thrown off course by the pandemic. There are a whole load of reasons why we were not able to solve the fundamental problems, but I believe very strongly that this Budget will not solve them either. My personal belief is that we have to create an entire new social contract. More and more people feel disconnected from the need to work and to take responsibility for their lives. There are four or perhaps five key failures in the state, and I do not think that the Budget has long-term solutions for them. I refer to the national health service, the pension service, benefits, immigration, and probably housing, and they are all interconnected. As successive Governments have not had the courage to go to the root causes of our failure as a state, we are gradually falling behind other countries.

Pumping in more billions of pounds this year, next year and the year after that will not solve the fundamental problem of the national health service. This is a huge, inefficient, state-run monopoly that solves its problems with queueing. Somebody of my age knows all about the national health service and having to wait for non-urgent operations—not just for months, but for years, and I can speak about that with personal experience.

Emily Darlington: In Lincolnshire, nearly six out of 10 people faced wait times exceeding four hours to be seen in A&E in 2023. That is a 42% increase. Does the right hon. Gentleman agree that the investments made today will help reduce those waiting times in Lincolnshire?

Sir Edward Leigh: Well, let us see. Of course we can pump more and more money into this broken system and solve some of the short-term problems, but soon we will be not just a country with an NHS, but an NHS with a country attached to it. Is it 44% of total spending that goes on the NHS? It is growing all the time, which means that, as a country, we are gradually becoming poorer and poorer. The long-term result will be that we will have a worse health service. I say to the hon. Lady that, of course, it is totally unacceptable that people wait hours to be treated in A&E, and wait months and years for an operation. In Lincolnshire, 58% of people in A&E now have to wait more than four hours—four hours! I can tell the House horror stories of my constituents

waiting up to 24 hours. That is not happening in any other developed country. It is totally unacceptable. Surely everyone in this House can unite around the principle that those who have paid into the system for years should be treated with dignity and expeditiously.

Yuan Yang (Earley and Woodley) (Lab): Will the right hon. Member give way?

Sir Edward Leigh: I must not give way too much, because I will prevent other people from getting in.

A study of 18 developed countries shows that the UK is in the bottom three when it comes to survival rates for common cancers, strokes and heart attacks. Lord Darzi's review found that 14,000 avoidable deaths per year were due to long waits in A&E. This drags our life expectancy statistics down and down. Meanwhile, even before the Budget, the NHS was eating up 44% of day-to-day public spending. We are paying more and more and the results are getting worse and worse. I predict that for the rest of this Parliament, the Government will keep on pumping more of our national wealth into this failed system and we will still fail to catch up with other countries.

Yuan Yang: Will the right hon. Member give way?

Sir Edward Leigh: No; I have to keep going.

I accept that some issues, such as hospital capacity, can only be dealt with by spending, but we do not need to reinvent the wheel; we need to learn from other countries. The Health Secretary, who I admire for his apparent radical zeal—although we have not seen much evidence of it—studied Australia, for instance. Let me break the national taboo on “our NHS”, our religion. There are other countries that are like ourselves but which deliver much better—incomparably superior—health outcomes. It is my personal belief, and I think I am about the only person who has said this year after year, that we should adopt Australia's social insurance model. There is nothing wrong with encouraging private provision in health. Is that some great heresy? Is it some sort of right-wing philosophy? Well, it is followed by France, Germany, Australia and the Netherlands, and all those other countries produce much better health outcomes.

Australia slowly developed a hybrid system of state and private health insurance. Everyone has universal public health insurance, but workers are encouraged to purchase private health insurance on top of that. My point is that, with a ballooning, ageing population, yes, we have to spend more on health, but we have to get people to put more of their own money into health; and they must be assured that, having put their money in, they will not just end up at the back of a queue, because they have personal rights and are committed to this health service.

For instance, the average cost of a treatment-only plan for a 20-year-old in Australia is just £23.14 a month, and comprehensive cover starts at £31 a month. That cost rises to £109 per month for a 70-year-old. People earning less than £119,000 can claim rebates to reduce the cost of health insurance, and higher earners without insurance pay a surcharge of between 1% and 1.5%. Research commissioned by Australia's Department of Health shows that the cost to the taxpayer would be greater without the rebates, because there would be increased stress on the public system.

[Sir Edward Leigh]

The health outcomes are noticeable. Australia has one of the lowest rates of avoidable mortality among the developed nations. Its cancer survival rates are several percentage points higher than the UK's, and stroke and heart attack mortality rates are several points lower. It is not perfect, of course, and not everything can be imported from other countries, but Australia's system shows that there are other models.

We must have a national debate about how, with an ageing population, we can produce the kind of health outcomes that people desire. There is a cumulative effect: in 2022, the Australian Government debt was 70% of GDP. In other words, it is running a tight, well-run ship. That is a country much like us—but the UK has already, even before this Budget, reached a staggering 104% debt in the same year. We are going broke because we do not have the courage, on either side of the aisle, to think from first principles. I am making this argument as much to those on my own Benches as I am to the Government. This situation simply cannot go on and on, otherwise people will start talking about charging or giving tax relief for private health insurance.

We have to have a fundamental debate about the whole structure of health, and the Health Secretary has the good will of people across the House and across the country to start thinking big and thinking of new ideas. If he can find a way forward and improve health outcomes, he will go down in history as one of the greatest Health Secretaries we have ever had.

The second fundamental problem we have is the ballooning benefits system, particularly when it comes to incapacity. It is trapping more and more people in dependence. We need a culture of the necessity of work. We have 4 million people on incapacity benefit, and two thirds of them—recent joiners—are claiming mental illness. The situation is out of control. Work should always pay more than benefits. I would have liked to have heard more from the Chancellor about how she is going to attack the benefits system and incapacity, which is gradually reducing the Government into penury.

Rachel Taylor (North Warwickshire and Bedworth) (Lab): Would the right hon. Member join me in congratulating the Chancellor on raising the national living wage—an uplift that will have a transformative impact on the lives of more than a third of children living in poverty in Gainsborough as well as children living in poverty in my constituency of North Warwickshire and Bedworth? The measure will make such a massive difference.

Sir Edward Leigh: The hon. Lady has made her point, although I was talking about incapacity benefit, so I am not sure how her point has addressed mine.

The culture of people living off the state for years, when they are capable of doing some work, needs to be stamped out. We have to work together in the House to get people off benefits and help them. It is about not just reducing benefits, but having innovative schemes, like those that the former Secretary of State for Work and Pensions, my right hon. Friend the Member for Central Devon (Mel Stride), was trying to bring about to encourage people back into work, making their whole lives better and more productive.

Thirdly, tackling benefits is a vital ingredient of curbing immigration. What is the spur for mass immigration? It is that health and social care simply cannot get enough workers for the salaries they are paying. There are too many people on benefits, and we are dragging more and more people from all over the world into our system. We need to insist that anyone entering the country earns at least average UK earnings. We cannot go on undercutting our native workers with cheap foreign labour. We have to pay decent wages in our care service, and reform the whole benefits structure so that people actually want to work. We cannot solve our problems with mass immigration, and mass illegal immigration is part of the problem. It is gradually destroying the social contract and people's belief in the system, and the Government must have a plan to deal with it, which basically means arresting people when they land illegally on these shores, and offshoring them.

The other great problem in our national psyche that we have not really addressed is the whole pension system. I have to declare an interest: I am of pensionable age. [HON. MEMBERS: "Never!"] Some Members will be very happy when I retire from this House, but I do try to tell the truth according to my own lights and to state difficult truths. The fact is that we have more and more elderly people, more and more sick people, and more and more people with multiple health problems. We are all committed to keeping the triple lock, and I would get into awful deep water if I said that doing so is becoming increasingly unaffordable, but of course if the portion of the state spending devoted to pensions increases every year in real terms, we will gradually ensure that the country cannot pay its way.

This is a difficult truth that nobody yet has had the courage to address: we have to do more to encourage private pensions, and not—I say this to the Chancellor—seeing private pension pots as a convenient thing to raise taxes on. Many years ago, I served on the Social Security Committee under the late, great Frank Field, a man immensely respected on both sides of the aisle. We studied countries like Chile that were making explicit the creation of contributory pension systems. People were encouraged to put more into their pensions and plan for their old age. That is the only way, with an ageing population, that we can solve our problems.

In addition to all this, I am afraid that wokery and human rights legislation are gradually eating away into our—[*Laughter.*] Government Members may all laugh, but it is true. Many people feel that they are not part of the way in which this country is run. These are just lessons that the Government have to learn.

Yuan Yang: Will the right hon. Member give way?

Sir Edward Leigh: The hon. Lady has tried to intervene again and again, so I will give way.

Yuan Yang: The right hon. Member mentions that many people do not feel part of how the country has been run, and for the last 14 years we have seen regressive Budgets that have hit the poorest hardest. Does he welcome, with me, that our Budget is progressive and in fact distributes the burden where it is most well shouldered?

Sir Edward Leigh: Well, if the hon. Lady thinks that, I wish her luck, but I fear that we are just going to gradually paper over the cracks—and I will criticise my

own side in this regard. For 14 years, Ministers went along with the liberal consensus, talking about “our NHS”, papering over the cracks with more and more money, employing more and more nurses and doctors, and getting worse and worse outcomes. Meanwhile, productivity nosedived and mass immigration reached unimaginable heights to keep public services going.

We have to be honest, as we are now in opposition. I welcome the fact that one of our leadership candidates is saying that we have to start from first principles. That is what I am trying to do: start from first principles on how to recreate the British state. That is what Mrs Thatcher did; I worked for her when she was Leader of the Opposition in the 1970s. We need a whole new intellectual drive. In opposition, Keith Joseph and the Institute of Economic Affairs created a new vibrant Conservative philosophy for how we could solve the deep-seated problems in this country. The Budget could have been such an opportunity, but I am afraid it reflects the old tax and spend instincts of the Labour party. I agree with the Labour party that housing is a great failure of our state. Of course we need a massive house building drive, or more appropriately a flat building campaign. The easy way out is to take good agricultural land and greenbelt land, particularly around London. Instead, we need to incentivise building in cities and on brownfield sites.

I fear I have wearied the House, so I will stop now. [HON. MEMBERS: “More!”] No doubt these difficult words about the national health service or the triple lock will be used by Labour party spokesmen for years to come, if anybody is interested. However, I hope that we have the intellectual courage to try to solve the real problems in our society. How are we going to get a decent health service that is on a par with what we find in France, Australia and the Netherlands? How are we going to get a decent housing programme? How are we going to get people to contribute more towards their old age? Unless we address the fundamental deep-seated problems in the British state we will just gradually become a poorer and poorer nation.

3.21 pm

Tonia Antoniazzi (Gower) (Lab): It is an honour to follow the Father of the House; I hope not to weary the House with my speech. Today, the Chancellor has been extraordinary in her strength and her ability to turn a really bad situation into a really good one. We cannot hide from the fact that we have had 14 years of Tory Government. While those on social media may say, “Oh, the Labour party is just slagging off the Tories for the last 14 years,” those 14 years are the reason I decided to stand to be a Member of Parliament. Having been the Parliamentary Private Secretary to the Chancellor when she was the shadow Chancellor, and having been the shadow Whip to the Treasury team, I know the integrity and seriousness with which they will have dealt with her first Budget.

The scaremongering of the Leader of the Opposition, pretending to be a man of the people, really sticks in my throat. I do not know how he has the audacity after 14 years of Tory Government. However, the Labour party and this Labour Government have promised change from the failure of the last 14 years, and the Budget shows our commitment to deliver that. The scale of the challenge is gargantuan, and I know that the Chancellor has made some tough but necessary decisions. Although

inflation has subsided to around 2%, helping to boost household incomes, interest rates are predicted to be cut later in the year, extending household budgets a bit more. I need not remind the House that the inflation reached 11% under the last Government.

Today, I will wear a number of hats—metaphorically, of course. I am the Chair of the Northern Ireland Affairs Committee, and the chair of the all-party parliamentary beer group. [HON. MEMBERS: “Hear, hear!”] It is very important. I am also the MP for a constituency where agriculture plays a huge role. Many of my farming constituents, and many farmers around the country, were concerned to hear speculation regarding the removal or upheaval of inheritance tax reliefs, including the agricultural property relief and business property relief. With many farmers still feeling the impact of the loss of direct payments, two years of severe flooding, high inflation and extremely volatile market conditions, the industry welcomed reassurances from Labour last year that agricultural property relief would not be changed.

Family farms are the backbone of the industry, especially in my constituency of Gower. Farming is in these people’s blood. They do not do it for financial benefit, because for many of them there is not much money in it. They do it because it is their life and their calling. The 100% rate of relief continuing for the first £1 million of combined agricultural and business assets to help to protect family farms and businesses is most welcome, but I would appreciate an opportunity to discuss with the Chancellor, the Secretary of State for Environment, Food and Rural Affairs or the Treasury team how we can ensure that family farms that may come just over the threshold can continue to play their role in our country, and how we can support them through the change and avoid any unintended consequences. I am hopeful that measures in the Budget will help the industry by driving ambition and investment. Investment in our agricultural sector will improve our food security and give farmers confidence in a Labour Government.

As well as agriculture, brewing and hospitality have a huge footprint in my constituency and across every United Kingdom constituency. These sectors support 1 million jobs, provide £17 billion in wages and deliver £34.3 billion of gross value added across the UK economy. The brewing and hospitality sectors are vital to the economic and social wellbeing of our communities across the United Kingdom; however, the industry remains under a great deal of pressure post the pandemic. Supported by a number of members of the all-party parliamentary beer group, I wrote to the Chancellor highlighting key areas in which the Budget could make a positive impact on the brewing and hospitality sectors.

First, the industry previously welcomed the Government’s pledge to reform the business rates system, and I welcome today’s announcement of the Chancellor’s commitment to permanently lower business rates multipliers for retail, hospitality and leisure properties from 2026-27. I acknowledge that the drop to 40% relief will cause concern, so I hope that the Chancellor or the Secretary of State for Business and Trade will work with the sector to address those concerns.

Secondly, the beer and pub sector is one of the highest taxed sectors of the economy in recent years. The industry has supported the alcohol duty review. The cutting of duty on draught products is a recognition of the commitment to pubs and smaller breweries. Again,

[Tonia Antoniazzi]

I hope that concerns around the increase on non-draught products in line with RPI will be listened to. Finally, I am pleased to hear the Chancellor commit to ensuring that Northern Ireland receives its fair share, with an extra £1.7 billion received through the Barnett formula. I am personally delighted to read that £730,000 will be given to the Executive to support integrated education, and a further £45.8 million will be given to support the vital work of the additional security fund of the Police Service of Northern Ireland, and the Executive programme on paramilitarism and organised crime.

Aside from that, concerns have been raised with me about future funding applications for organisations in Northern Ireland—whether about the shared prosperity fund, the city deals, or, let us not forget, the poor execution of the levelling-up fund under the last Government. Community groups play such a vital role in Northern Ireland, and we must recognise that. The shared prosperity fund has been a lifeline for many organisations, and although it is continuing at a reduced rate, I welcome the fact that the Budget puts aside £1 million for community groups in Northern Ireland. The decision on the Causeway Coast and Mid South West city deals was paused during the pre-Budget spending review, so I am sure that the people behind those deals will be absolutely delighted with the announcement that they will go ahead.

I am hopeful that the Government will work well with our devolved Governments. As we have seen, the last 14 years have worked against the Labour Government in Wales. We must have the best outcomes for people across the United Kingdom. The increase in funding through the Barnett formula shows positive commitment to devolution. The Budget is difficult, but it is necessary. It is a once-in-a-generation Budget. It will, and it must, deliver the change that our constituents voted for. We will not go backwards; we will only go forwards. This country needs change.

3.29 pm

Dame Harriett Baldwin (West Worcestershire) (Con): It is a pleasure to follow the hon. Member for Gower (Tonia Antoniazzi). I do not wear quite as many hats as her, but it was interesting to hear her perspective on the Budget. I have a different perspective.

My issue with the Budget is not the political choices that the Chancellor has chosen to make—clearly she has the mandate to make any changes that she wishes to make—but the fact that it is a Budget of broken promises to the electorate, which is a dreadful thing to do for trust in politicians. I will also highlight the economic choices that I think the Chancellor has got wrong.

The first broken promise is one that the Chancellor made during the election campaign, when she said time and again that she would not “fiddle the figures.” Today, she has clearly broken that promise. She has announced a multi-billion pound change to the UK’s borrowing, and she announced it overseas, not first to Parliament—I know how angry you and Mr Speaker are about that, Madam Deputy Speaker. As we all know, and as the IFS has said, borrowing is not a free lunch; it will mean that there is more debt and more debt interest spending. I have not yet had a chance to question the Office for Budget Responsibility in detail

on its numbers, but from an initial look at its charts, the amount of additional borrowing that was announced today by far exceeds anything in the mini-Budget in late 2022. The Treasury Committee will ask the Office for Budget Responsibility about that.

The second broken promise that the Chancellor made during the election campaign was that her plans were fully funded, and that she had no plans to raise taxes, beyond those listed in the manifesto. In fact, colleagues have counted that she and the Prime Minister made that utterance 50 times. I believe that that promise has been soundly broken today, and that a deliberate political choice has been made to announce the biggest unforced tax-raising Budget ever.

Blair McDougall (East Renfrewshire) (Lab): Unforced?

Dame Harriett Baldwin: Unforced. During the election campaign, the Chancellor told the British public that taxes were too high. She said that she wanted to bring taxes down. She has roundly broken that promise today, because the Budget increases tax for every household in this country, possibly by up to £10,000 over this Parliament. That is way beyond the £2,000 figure that we warned about during the election campaign—a warning that the Prime Minister said on national television was a lie.

The Chancellor campaigned on a general election strategy that I believe was deliberately designed to mislead the electorate. Her plans, and those of the Deputy Prime Minister, end up giving us German taxes with French labour laws—a recipe for higher unemployment if ever I have seen one. The scale of the tax changes announced today for small businesses that employ more than four people is astonishing. Labour Members should let that sink in.

Torsten Bell (Swansea West) (Lab): Will the hon. Lady give way?

Dame Harriett Baldwin: I will not give way to the hon. Gentleman, who so often gave evidence to the Treasury Committee. I recall that I had to press him on the fact that NHS productivity has not yet returned to its pre-pandemic level. He told us on the record that if it did, that would be worth £20 billion in additional NHS output.

The Chancellor promised that she wanted to focus on growth. That is her mission, but I believe that more taxes, more public spending and more borrowing do not lead to growth; if they did, Venezuela would be one of the most prosperous countries on earth. What the Chancellor was planning all along, together with her Cabinet colleagues—who have no experience of working in the wealth-creating, job-creating, tax-paying private sector—is a Budget of the public sector, by the public sector, for the public sector. She cannot blame us, because in her first 25 days as Chancellor she announced £25 billion of additional new spending, whether that was for Great British Energy, a national wealth fund, or inflation-busting backdated union pay rises with no productivity requirements.

I also want to speak up for my farmers in West Worcestershire.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): Will the hon. Lady give way?

Dame Harriett Baldwin: Does the hon. Gentleman want to stand up for my farmers? My farmers are some of the most productive and hard-working people in this

country. They are the ones who put food on our tables, and they are soundly disappointed with today's Budget. There was no help or certainty for them in the Budget—no help for them through the agricultural property relief that allows them to hand on the family farm to the next generation. Labour Members should know that this Budget will mean that many family farms will be broken up, unable to be handed on to the next generation.

Nesil Caliskan (Barking) (Lab): Will the hon. Lady give way?

Dame Harriett Baldwin: As the hon. Lady can see, I am not giving way at the moment.

As you know, Madam Deputy Speaker, the only way that we get true, genuine, sustainable growth in this country is through productivity and investment by the private sector.

Rachel Blake (Cities of London and Westminster) (Lab/Co-op): Will the hon. Lady give way?

Dame Harriett Baldwin: I am not giving way at the moment. I am going to allow more time for others later on.

Several hon. Members *rose*—

Madam Deputy Speaker (Ms Nusrat Ghani): Order. The hon. Lady has made it very clear that she is not giving way, so please allow her to continue.

Dame Harriett Baldwin: Thank you, Madam Deputy Speaker. Anyone who has ever worked in business knows that they need to increase the productivity of their business, and investment in that business is linked to its profitability, profits that will fall as a result of the measures that have been imposed on business today. When we work out the numbers, I think those measures will equate to about 4p on corporation tax. This is a Budget of broken promises that will end up giving the British people less growth. Members do not have to listen to me to hear that: they can listen to the Office for Budget Responsibility, which forecasts a short-term boost to growth but a longer-term reduction in the sustainable growth rate of the British economy thanks to the measures that the Chancellor outlined today.

In the months since the Chancellor took office, we have seen the evidence. We have already seen businesses shutting at double the rate they were a year ago. We are already seeing a plunge in business confidence, and we have heard the former chief economist of the Bank of England say that the socialist narrative we have had since the election has generated

“fear and foreboding and uncertainty”.

This is a Budget of broken promises—a straightforward breach of promises to the British public—and it is a dreadful day for the British economy.

Madam Deputy Speaker: When we go through *Hansard*, I am sure we will see that the hon. Member did not mean to accuse another hon. Member of lying—changing that term to “misleading” would have been far more appropriate. No doubt the hon. Member agrees with me.

Dame Harriett Baldwin: On a point of order, Madam Deputy Speaker. I referred to the Prime Minister's words on national television, and I was quoting him directly, but if I have inadvertently misled the House, I apologise.

Madam Deputy Speaker: Thank you so much. That was an absolutely appropriate way to respond.

3.38 pm

Chris Evans (Caerphilly) (Lab/Co-op): It is a pleasure to follow the hon. Member for West Worcestershire (Dame Harriett Baldwin). I well remember one of her very early speeches when we both came to this place, in which she gave a lecture to this House about the benefits of the Laffer curve. Having also listened to the right hon. Member for Gainsborough (Sir Edward Leigh), I am pleased to report that although Milton Friedman, Keith Joseph and Mrs Thatcher may be long gone, their ideas will live on as long as those two Members sit on the Conservative Benches.

I pay tribute to my hon. Friend the Member for Gower (Tonia Antoniazzi) for a great speech standing up for her farmers in her rural constituency. I think she faces, as Chair of the Northern Ireland Affairs Committee, the same problems that we face in Wales. We in Wales are too heavily dependent on the public sector and there is a lack of entrepreneurship, which are similar problems to those faced in Northern Ireland, but I can think of no greater champion to stand up for Northern Ireland than my hon. Friend.

Things have changed since the last time I spoke in this House. I was the Member for Islwyn, and I am now the Member for Caerphilly. If you, Madam Deputy Speaker, and the House will indulge me for a moment, I want to pay tribute to my predecessor as the Member of Parliament for Caerphilly, Wayne David, who was a doughty champion for his constituency. He absolutely loved this place, and he was one of our great Welsh parliamentarians.

I am sure Wayne David would join me in welcoming today the first speech by a Labour Chancellor for 14 years, and the very first by a female Labour Chancellor at that. For those of us who came in in 2010, it was a long haul in opposition, and I am delighted to be standing here today on the Government Benches.

“Britain has lived for too long on borrowed time, borrowed money, borrowed ideas. We live in too troubled a world to be able to promise that in a matter of months, or even in a couple of years, that we shall enter the promised land. The route is long and hard.”

Those words were spoken by Prime Minister James Callaghan at the Labour party conference in Blackpool almost 50 years ago, in 1976. His analysis laid the blame for Britain's problems at the door of high Government debt, high taxation and low productivity.

The economic ills we suffer today have come upon us over several decades. They will not go away in days, weeks or months, but they must go away. Great as our tax burden is, it has not kept pace with public spending. For decades, we have piled deficit upon deficit, mortgaging our future and our children's future for the political gain of the present. To continue this long trend is to guarantee moving towards tremendous social, cultural, political and economic upheavals. We face handing over a toxic legacy to our children and our children's children. That is how serious the current crisis we face is. Our

[Chris Evans]

challenge, in this place in this time, is breaking the cycles that mean those words of Callaghan still reflect acutely on the situation we face today.

We need to get away from two myths that are peddled about the British economy. First, there are those who believe that sweeping tax cuts will, as we have heard from Opposition Members, turbocharge the economy without any adverse effect on public services. They cite the 1980s as a global age, but taxes could be cut when the Government were able to rely on North sea oil money and the privatisation of industries. In 2024, that is not an option. A tax cut would only come at the price of cutting public services. It is a lesson we should have learned from the infamous fiscal event of September 2022. The experience of most people we speak to, whether they are trying to book a medical appointment or simply renew a passport, is poor. That position is intolerable.

The second myth is that, if we chuck enough money at a problem, somehow that will solve it. As someone who served on the Public Accounts Committee for five years under my hon. Friend the Member for Hackney South and Shoreditch (Dame Meg Hillier), who is now the Chairman of the Treasury Committee, I find that a laughable idea. Take the Ajax programme, which was meant to provide a new armoured vehicle for our Army. It was initially meant to be delivered in 2017, but it is now 2024, and it is still not complete. Meanwhile, north of £3 billion of public money has been wasted. Both soldiers and the public purse have suffered the consequences of a wasteful mess that created unsuitable, unsafe and largely unusable vehicles. The National Audit Office called it “flawed from the start”, and noted that it was suffering from problems that plague other defence programmes. The programme is even yet to be delivered, and it faces the threat of being obsolete, despite the mammoth cost to the taxpayer. We cannot allow a system in which regular mistakes are the norm, and are simply part of the culture. We cannot have civil servants shrugging their shoulders and saying, “That’s the way it is.” They are spending public money.

An estimated £7.3 billion was lost to fraud related to covid-19 schemes from 2020 to 2022, according to the National Audit Office. Some £2.9 billion was spent on personal protective equipment that was deemed unusable for frontline services. I welcome the Chancellor’s announcement about the covid corruption commissioner, but the fraud should not have happened in the first place.

Most recently, hundreds of millions of pounds went down the drain for the failed Rwanda scheme. Whatever we think about such schemes, what message does that give to those who are working hard to pay into the system every month, and who are asked for more and more of their hard-earned money in taxes? Ronald Reagan—yes, I am quoting somebody from the right wing—once said:

“Government is not the solution to our problem; government is the problem.”

I believe that bad government is the real problem. The Government cannot do everything, but they can do some things well—the rise in the minimum wage announced today is one such example. However, we cannot go on this way; there is no future in giving Departments more and more money if it is only going to be wasted. If there

is a black hole in a Department’s budget, the system created that, and more money will not change wasteful practices. There needs to be fundamental reform in the way we manage major projects.

The Chancellor announced some productive measures today, but if we do not stop money leaking out of Government through wastefulness and mistakes, we are failing the taxpayer. We must be strict with ourselves when it comes to projects and Government spending. We need the chair of the Office for Value for Money, announced in July, to report annually to the House. They must be tasked with several questions about each project: is it on time, and is it delivering value for money? If not, if necessary we have to be ruthless. We either take the decision to carry on with projects that are doomed to lose money, or we take a step back—do less but do it better, and start creating more things that we can export abroad.

As the Chancellor recognised in her speech, we cannot borrow indefinitely, and we cannot keep asking hard-working people for more and more, while Governments make costly errors and ask the taxpayer to pick up the bill. Investment to rebuild is necessary, and the Government are right to protect the most vulnerable from shouldering an increased burden. However, it is time for a root and branch reform of the civil service, with a realistic economic policy that considers the state of the public finances as they are, not as we wish or hope they were. I am hopeful that the Budget has done that today.

If we do not act now, in 50 years’ time will future generations be speaking of the same ailments? If they are, it means simply that we have failed and have effected no real change in our time in this place. Callaghan raised these problems 50 years ago. It is our duty to ensure that we do not spend another 50 years stuck in that same place.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the SNP Treasury spokesperson.

3.47 pm

Dave Doogan (Angus and Perthshire Glens) (SNP): Four months ago the people took the Labour party at its word and voted for change. It did not take long for it to become clear that the Labour party was offering not change for the better, but change for the worse. Pre-election there was no mention of pushing 900,000 pensioners in Scotland into fuel poverty, yet here we are. The Chancellor said that she would not raise taxes on working people, yet we now find due to Labour’s absurdly one-dimensional yet infinitely flexible definition of “working people” that people are in line for five years of fiscal drag on their incomes and tax allowances.

The Chancellor said that she would not put up national insurance, but after the election she qualified that with “on employees”, as she now raids payroll accounts for charities, care homes and local businesses for her 1.2% national insurance hike. During all that, where were Scottish Labour MPs? Where were their howls of indignation defending their Scottish constituents and the Scottish economy? They were silent, with a mere seven Labour MPs rebelling on the two-child cap, and not one of them from Scotland.

The national insurance increases are a direct assault on Scotland’s businesses, workers, and growth plan. Scotland’s vital hospitality sector—our pubs, hotels and cafes—are

already hamstrung by Brexit, and will face an increased burden as a result of the changes today. This punishing tax hike will hit many of Scotland's 340,000 SMEs hardest—the very companies that drive growth, that reinvest locally, that sustain 1.2 million Scottish jobs and 42.4% of all private sector turnover in Scotland and that sponsor local groups and clubs. They are caught in the crosshairs of this anti-small business Labour Chancellor.

Like much else, raiding employment taxes was not in Labour's manifesto, and many ordinary self-employed people with modest incomes from local businesses—they deliver essential economic activity where the capital generated remains local, turning an average profit of £23,000 a year, and many of them may well have voted Labour—will fall foul of Labour's rank duplicity in this change to tax orthodoxy, unlike those working for public limited companies or the public sector earning six-figure salaries.

The national insurance hike, with the threshold down to £5,000 and the rate up to 15%, represents a £25 billion double whammy tax on jobs—plain and simple. The resources that will fund the Chancellor's raid on payroll are the same resources that businesses would have used to recruit more people into work, reducing unemployment, growing their own business and assisting in the ambition of greater growth in the wider economy. The Chancellor has just torpedoed that. It is the same resource that would have delivered pay rises for ordinary working people next year. Where will that resource come from now? The Chancellor notes that she is not putting up taxes on working people, and that may technically be true this year, but with next year's pay claims guaranteed to be suppressed by her raid on employers' NI, she is baking in lower wages for workers next year and in subsequent years.

The Scotch Whisky Association has described the duty on whisky as “a hammer blow”. The Prime Minister promised to

“back Scotch producers to the hilt.”

He should have told his Chancellor, because she has just taxed Scotch whisky to the hilt. It is completely unacceptable, and it is part of Scotland's burden.

None of this is acceptable. We are not content to continue footing the bill for decisions that we had no part in. We went into this election with the highest taxes in living memory, and they have just gone up again. Ten years ago, we were implored to lead the UK, not leave the UK, and what have we got now? We have Government Benches awash with Scottish Labour MPs, while Scotland waits with bated breath for just one of them to stand up for their constituents, where their interests lie at odds with Westminster. The Scottish Labour MPs have backed the Chancellor's two-child cap, snaring 87,000 of our constituents' children in poverty, and voted to strip the winter fuel payment from 900,000 Scottish pensioners in ours, the coldest part of this island. If that is a local Labour champion, I do not fancy meeting a local Labour villain on a dark night.

All of this is justified by the fabled £22 billion black hole. With all this black hole hyperbole, I would like somebody in the Treasury to put the lights on, because it might shine the white light of truth on the black holes that Labour fears to mention. They include the £30 billion black hole where, by ripping ourselves out of the EU, we have been mortgaged to the twin burdens of increased

administrative costs and the lost opportunities of membership of the world's largest trading bloc. There is the black hole of nuclear energy sucking billions from the taxpayer, producing the most expensive energy at some time indeterminate in the future, and the Bank of England's £24 billion black hole for quantitative tightening, which has not been discussed once in this House.

I welcome the £12.21 minimum wage. It falls short of the £12.60 Scottish living wage, but it is a start. I welcome the £2.9 billion for defence, but I would be interested to know if any of that is ringfenced. Alarm bells will be ringing on farms across Scotland about agricultural property relief, especially as Labour has said consistently—it was specifically said by the Secretary of State for Environment, Food and Rural Affairs prior to the election—that it has no plans to review agricultural allowances. It is deeply worrying.

It is good that Budgets will now be annual. Investment in capital investment should be 3%, and that should be a floor, not a ceiling, but long-term certainty is needed for the devolved nations.

Blair McDougall (East Renfrewshire) (Lab): The hon. Member may have seen that the Scottish Trades Union Congress has said that, for the SNP,

“The Westminster blame game is finished. They have the money. They have the powers.”

Will he acknowledge that this Budget ends austerity and that the Scottish Government now have no more excuses for their failures?

Dave Doogan: Indeed I will not accept that. I will get on to that—and to the block grant in particular—in just a minute if the hon. Gentleman will bear with me for a second or two.

Infrastructure is like a sport: if you do not do it very much, you tend not to be very good at it—see smart motorways, Hinkley Point C and HS2. The Chancellor claims that there is no return to Tory austerity, and she is right, because this is Labour's austerity, plain and simple. It is all the same to Scotland, though. She has called on Government Departments to make 2% efficiency savings. There is literally no precedent for that, ever. No Government have ever achieved that, so those efficiency gains will not be realised, and those 2% savings will turn into 2% cuts.

The hon. Member for East Renfrewshire (Blair McDougall) asked about the Scottish Government's position. We are led to believe that the block grant is going up by £3.4 billion. Clearly, that is welcome, but let us look at the back story, because that is what is important. The Scottish Government now receive a lower share of UK spending than at any point in the last decade. Total UK Government expenditure has decreased since 2020, and Scotland's share of that expenditure has decreased faster still. In 2014, the adjusted block grant represented 8% of UK Government expenditure; however, that figure has fallen to 7.6%. That attrition represents a real-terms cut to the Scottish budget every year since 2020, and the Scottish block grant is now worth £6.4 billion less than it was in 2021, a drop of 12.7%. Of course, as we always do, the Scottish Government will put the £3.4 billion to tremendous use, but it still leaves us £3 billion short of where we were just four years ago. That is the problem with this Union.

[*Dave Doogan*]

Moreover, last year the Scottish Government's capital block grant was cut by 9.6%, a real-terms cut of £600 million, and we face a further cut from Westminster of 3%, or £200 million, to our capital grant this year. That is money not available to build schools, hospitals, roads and so on in Scotland. The Chancellor did not address that in the Budget today.

We have fresh austerity and a fresh cost of living crisis delivered by this Labour Government—a Hobson's choice for Scotland in broken Brexit Britain, where things can only get worse. Nine hundred thousand Scottish pensioners will have watched today in the vain hope that the Chancellor would U-turn on her winter fuel payment cut. Well, she finished that hope today. The winter fuel payment raid is a political choice with the most serious consequences. Labour's own figures show that it could result in 4,000 excess deaths this winter, and estimates suggest that the cost to the NHS will be just shy of £1 billion and just shy of £100 million in Scotland.

In leaflets that went out across Scotland and elsewhere in the UK, Labour promised to reduce energy bills by £300; instead, they have risen by £149, so where is Labour's £449 saving coming from? Speaking to us from Manchester, the chair of GB Energy could not say when any savings would materialise, and last night Labour moved to block any move to put that on a statutory footing in the GB Energy Bill. It is heads Westminster wins and tails Scotland loses. This Budget has done nothing to atone for the 4.3 million UK children living in poverty, a situation that is further entrenched by Labour's two-child cap impacting over 87,000 Scottish children. Over 100 children a day fall into poverty with Labour's two-child cap. That is 10,000 children since Labour took office in July. What a record!

This is a know-your-place Budget for children, the disabled and those living in poverty. It is a wait-a-little-longer Budget for WASPI women. It is a kiss-goodbye-to-your-family-farm Budget. It is a hand-over-the-money Budget if you are in Scotch whisky. It is a show-some-gratitude Budget to Scotland, to get a piece of what was already ours to begin with. And it is a grim reaper Budget for the 4,000 pensioners across these islands who will not survive to see another.

3.58 pm

Pamela Nash (Motherwell, Wishaw and Carluke) (Lab): It is a pleasure to follow the hon. Member for Angus and Perthshire Glens (*Dave Doogan*), despite his failure to acknowledge that this is the biggest real-terms block grant that Scotland has ever seen from the UK Government, and his failure to apologise for the mess that his Government, the SNP Scottish Government, have made over the past 17 years for people across Scotland.

It was from the Opposition Benches in 2010, during the Budget debate, led by the Conservative Chancellor of the time, that I rose to make my maiden speech. It feels fitting to speak for the first time since my return to the House in today's Budget debate, following our first Labour Budget for many years—and from the first female Chancellor, no less.

With your leave, Madam Deputy Speaker, I will touch on my return to the House and my new constituency before returning to the Budget. I am from a working

class background, the daughter of a factory worker and a car salesman. I was raised to know that the odds were against us. I entered politics to work hard to even the playing field with my colleagues, giving people the homes, the education, the healthcare and the money in their pocket to ensure the best possible quality of life. But during my last period serving in this House as a Scottish MP, from 2010 to 2015, all politics was seen only through the prism of the constitutional debate, and progress in Scotland withered in its shadow. It means the world to me to return to Parliament now, when we are moving from a period of stagnation in Scotland and across the UK, and to get back to fighting to improve the lives of our constituents from every single background.

In my constituency of Motherwell, Wishaw and Carluke, I am now the next-door neighbour to my previous constituency. It is an area I know and love exactly the same, and I am so excited about working with the people there in the months and years to come. With the three main towns of Motherwell, Wishaw and Carluke, the smaller towns of Forth and Law, our lovely villages and beautiful rolling fields and views of Clyde valley, our constituency is a brilliant place to live and visit. Carluke is picturesque, with its sandstone town centre, and is known as a “town called courage”, in recognition of three sons of the town, William Angus, Thomas Caldwell and Donald Cameron, who were each awarded the Victoria Cross. More than 2,000 men and women with local connections have served our armed forces in the past 200 years. That is testament to the bravery and dedication of our community, both past and present.

Motherwell and Wishaw were at the heart of Scotland's industrial landscape, with the towering Ravenscraig at its centre. Its closure in the early 1990s had repercussions that we still feel today. Now, the site is home to our state-of-the-art sports centres, the New College Lanarkshire campus, and thousands of people and homes built for the future. The rejuvenation and hope at Ravenscraig symbolises both the hardships that Lanarkshire has faced for decades, and our ambition and drive to achieve a better future. I will do everything I can, as the MP for Motherwell, Wishaw and Carluke, to make that future a reality.

Until the election, our constituency was represented by Angela Crawley and Marion Fellows, and I pay tribute to them. Angela was a hard-working champion for her constituents, and became known in this House as a vocal advocate for LGBT rights, and especially for trans people at a time when it was most difficult to do so. I applaud her for that work. Marion proved to be a respectful and fair opponent in this summer's election campaign. Her time here will be remembered for her work for the rights of people living with disability, and as a lead campaigner for justice for sub-postmasters long before it became a fashionable cause to champion. I wish her well in her retirement.

Before returning to the Budget, I cannot let this moment pass without paying tribute to my Labour predecessors in my constituency, whom I served alongside in this House between 2010 and 2015. Jimmy Hood and Frank Roy both had their politics forged in the Thatcher years. Jimmy was a leading member of the National Union of Mineworkers during the miners' strike, and Frank was a steelworker at the forefront of the battle to save Ravenscraig. Jimmy served his constituents for 23 years, and we sadly lost him 2017. People here in

Parliament and at home in Carlisle often remember him fondly to me. I knew him to always be always smiling, fun and kind.

Frank Roy has been a trusted friend of mine since I started out in politics. In fact, Frank was the first person who asked me to stand for Parliament. That simple question helped to give me the confidence to express my ambition to do so. He was an incredible representative for Motherwell and Wishaw, and continues to serve the people of Lanarkshire now, leading the Lanarkshire Cancer Care Trust based in Wishaw. I am lucky to call him my friend.

I will turn my comments to the business of today's debate. Today's Budget represents a real commitment to protect working families and to reject the damaging austerity measures that have scarred our communities for far too long. We all remember—indeed, are still living with—the effects of austerity: cuts to vital services, job losses and increased hardship for our most vulnerable citizens. This Budget unequivocally signals that this Government are committed to moving away from that approach. We will not return to the failed economic model of the past 14 years, which prioritised cuts over care. Instead, we are focusing on investment and growth. The people of Motherwell, Wishaw and Carlisle have felt those consequences deeply, and it is our responsibility to ensure that we do not return to that path. The country voted for change, and this Budget is all about delivering the solutions we need for a brighter future. It was the irresponsible choices of the last Government that caused this mess, and it is the responsible choices of this Government that will get us out of it.

I cannot help but have a bit of personal excitement to see an old friend, my right hon. Friend the Member for Leeds West and Pudsey (Rachel Reeves), deliver the Budget at the Dispatch Box, the first woman to do so. I have been asked several times recently, “When you were first elected together in 2010, did you ever think that she would end up Chancellor?” And the answer to that is yes—yes, I did. It should never have taken us this long to have a woman at No. 11, but I think we can all agree—at least on the Labour Benches—that it has been worth the wait.

Let us be clear that today's Budget from a Labour Chancellor is good news for people across Scotland and across the UK, especially in my constituency of Motherwell, Wishaw and Carlisle. We on the Labour Benches campaigned loud and clear at the general election for change, and that is what has been delivered here today. The triple lock is confirmed for pensioners, meaning that pensions will go up by £900 this year and £470 next year, and they are projected to go up by another £1,700 during this Parliament.

Tessa Munt (Wells and Mendip Hills) (LD): Will the hon. Lady give way?

Pamela Nash: I will not give way just now.

There is a wage rise for 200,000 Scots, with the increase in the minimum wage and the steps taken to remove the discrimination against young people, who deserve the same wage for the same work; the largest increase ever for carer's allowance; and an additional £3.4 billion for Scotland, bringing our block grant to a record level. It is now the responsibility of the SNP Scottish Government to put that money to good use.

Madam Deputy Speaker, you and I know that those of us in this House are a bit unusual. Political animals are not the norm. When I speak with my constituents, they do not care if it is Labour, Tory or SNP politicians who put more money in their pockets and fix public services—they just want it done. So we need no more vanity projects, and no more money wasted on research papers for an independence debate that people are sick of hearing about. This is real money that can alleviate real problems now. I do not want my constituents to have to wait until the Scottish elections in 2026 for an improvement in our schools and our hospitals. This money has to get to the frontline immediately, and the Scottish Government will be judged at the ballot box if it does not.

I will finish by saying that my welcome back here has been heartfelt and warm, from colleagues across the House to the Doorkeepers and staff across the estate who look after us in this place every day, but the one question I am asked over and over again is, “What has changed since the last time you were here?” The truth is that not much has changed. We still work very much the same way. There are, perhaps, a couple of changes for me. Last time I was here I was the baby of the House and now I am old enough to be the current holder of that title's mum. But the one enormous change from the last time I was here is that I am in government with this Labour party—a Labour Government. There could be no bigger change, and we are just at the start of seeing the great waves of investment, progress and growth that this new Government will achieve.

4.9 pm

Sir Desmond Swayne (New Forest West) (Con): It is an enormous pleasure to follow the hon. Member for Motherwell, Wishaw and Carlisle (Pamela Nash). Until recently, my cousin was a minister in Carlisle.

Let me give the House a piece of Swahili wisdom. *Howezi kuwafukuza swala wawili: you cannot chase two antelope.* That, however, is exactly what the Government have been doing since they were elected. They announced immediately after the election, and repeated today, that their overriding priority was to secure economic growth by investing, investing, investing, but in reality their main effort was elsewhere. Their main effort was a creating a narrative in the public mind that they had inherited a wasteland, the worst inheritance of any Government since kingdom come: that the wicked Tories had operated a scorched earth policy leaving absolutely everything broken, nothing working, and a huge black hole. As a consequence, things would have to get worse before they could get better, and there would be implications for tax in the forthcoming Budget—and, of course, we have discovered that today.

The reality is that investment requires an optimistic outlook. By pouring such a bucket of cold water on the British economy, what the Government achieved was to reverse what was soaring business confidence and turn it into absolutely collapsing business confidence; and business confidence is the key to investment, not the great binge of borrowing that the Government are about to enter into.

Tom Hayes (Bournemouth East) (Lab): Would the right hon. Gentleman welcome the £63 billion of investment that came through the international investment summit

[Tom Hayes]

as a result of the election of a Labour Government? That money had been held back until the election, and the election led to the investment of those billions of pounds. Is that not a sign of significant business confidence in our country?

Sir Desmond Swayne: Much of it reannounced, and much of it put at risk by the behaviour of the Transport Secretary, but nevertheless an achievement. Of course I welcome any inward investment. What I think is a huge risk is a great borrowing binge for exactly the sort of investment that we saw throughout the 1960s and 1970s, which never delivered. Real investment—investment that improves productivity—is that which is undertaken largely by medium and small firms to invest in their own enterprises, but it is crowded out by the increased costs that are entirely a consequence of the Government's great borrowing binge. On that basis, this Budget is a disaster.

4.12 pm

Preet Kaur Gill (Birmingham Edgbaston) (Lab/Co-op): It is my great pleasure to speak in this debate responding to the first Labour Budget in 14 years, delivered by the first ever female Chancellor of the Exchequer. I congratulate my right hon. Friend the Chancellor on making history today.

In July, the country elected Labour to fix the foundations of our country and put us on a path towards national renewal, and that is what this Budget does. The Chancellor is not ducking the big decisions or slapping sticking plasters on the problems; instead, she is fronting up to the challenges and taking long-term decisions in the interests of Britain. My constituents voted for change, and with this Budget they will see a Government who are on their side—on the side of working people—pulling up their sleeves to deliver the change that they voted for. I was delighted to see the Prime Minister visit Birmingham earlier this week, where he set out his desire to put our city at the centre of the Government's plan for growth. Growing our economy is the only sustainable way in which to fund the public services on which we all rely.

I thank the Chancellor for the many excellent announcements in her speech. We have already heard a lot of bluster from the Opposition, playing silly games with semantics over the definition of a working person, but it could not be clearer whose side this Government are on. May I remind Conservative Members that the last Parliament was the first in modern history in which living standards fell? They left an economy of high taxes, low growth and low wages. Public services are on the floor, and we have had a “pay more, get less” doom loop of stagnation and decline. Under the Conservatives, the very basics of what one needs to live a good life—a safe and affordable place to live, money in one's pocket, and the security of strong public services that are there when needed—were all ripped away. First, austerity stripped more than £1 billion from Birmingham over a decade. Then we had the Conservatives' botched Brexit deal. Finally, they crashed the economy under Liz Truss.

The Tory record left us with slow economic growth, nearly 8 million people stuck on NHS waiting lists, a housing crisis, with 24,000 people on Birmingham's housing register, crumbling schools and hospitals, stagnant wages, rising living costs, and limited job growth, with

young people and graduates facing fewer employment opportunities for the jobs of the future. Worse still, under the last Government, people lost faith in the fundamental promise of this country that the next generation should do better than the last. They lost trust that politicians were able to take tough decisions for the long term, and to put the country before their own political skins.

The “here today, gone tomorrow” culture of broken promises damaged people's faith in politics, but with this budget we can begin the patient work of rebuilding our country, because we have a Prime Minister and a Chancellor who understand that we were elected to serve. The people of our great country finally have a Government who are prepared to take tough decisions and get on with the job of cleaning up the mess left by the Conservative party. We will invest in our NHS after 14 years of decline. We will make fairer choices on tax, spending and welfare. We will protect working people by not increasing national insurance, the basic, higher and additional rates of income tax, or VAT, just as we promised.

We brought a record-breaking £63 billion of private investment into Britain at our international investment summit this month. That is a vote of confidence in this Government. We have £500 million of new investment in battery storage, which will create the jobs of the future in Birmingham. Today, the Chancellor has confirmed a change to the fiscal rules to break the low-investment, low-growth cycle under the previous Government. That is a decision to secure Britain's long-term future. It will put muscle behind the Government's industrial strategy so that we can invest in the industries of the future in partnership with the private sector, and create revenue to fund the public services that our constituents expect and deserve. The question has always been whether to invest or decline. The Conservatives can choose decline, but we choose investment.

The truth is that the average person in the west midlands is £4,320 poorer than they would have been had the economy grown since 2010 at the same rate it did under the last Labour Government. That is why I heartily welcome the Chancellor's decision to increase the national minimum wage, which provides a £1,400 boost to full-time equivalent pay for over 45,000 people in Birmingham alone. University Hospitals Birmingham, which is in my constituency, is the largest trust in the country, so I thank the Chancellor for announcing funding to support the delivery of 2 million extra NHS operations, scans and appointments a year in order to cut waiting lists across England. I cannot describe how much that means to not just NHS staff, whose morale has been ground into a fine dust over the last 14 years, but people throughout my constituency. Some of my constituents have died while waiting for treatment, and I know of one child who lost her sight while waiting for an appointment.

A healthy economy depends on the health of the country. Under the last Government, nearly 3 million working-age people were out of work or long-term sick—a British record. That is why I am pleased to see the announcement of £240 million for local services, to help people back into work. Skills England will map the jobs that are needed and the pathways to opportunities. Some £30 million will be spent on primary school breakfast clubs, which will help children to get a nutritious

start to their day and take the pressure off parents who want to get out to work. The confirmation of £1.8 billion to support the expansion of Government-funded childcare is extremely good news for hundreds of young families in my constituency, especially given that more than half of our children's centres in Birmingham were closed under the Tories. Families will be far better off with Labour.

I appreciate that the Chancellor has had to make some extremely tough choices in this Budget to get the public finances back in order. The £22 billion black hole is the tip of the iceberg after the last 14 years, but it is no less appalling. The OBR has today revealed an absolutely shocking litany of mismanagement and failure, including spending the reserves three times over, wasting hundreds of millions of pounds on the Rwanda gimmick and billions on asylum hotels, propping up failing train companies, and unfunded spending commitments. So will the Conservatives please spare us some of their faux outrage about tax? They raised the tax burden to its highest level since the second world war, they knew full well that public services had to be paid for and they hid the £22 billion black hole from the public. How did they expect to pay for that? They should have some shame, frankly.

This Government are fixing the Conservatives' mess and protecting working people's payslips as they do it. Our announcements today will make a difference. We are investing billions to get Britain building, making business rates fairer to protect our high streets, giving certainty to business on tax, supporting frontline policing levels, providing funding to local government and £1 billion for SEND provision, protecting the pension triple lock and finding money for potholes—I could go on.

Some things will of course take time, but these decisions are the reason we can have confidence that the Britain we are building will be built on something solid, not on sand. With this Budget, this Government have returned stability to our economy. It has reinforced the role of the OBR, and it will make sure that we can never, ever again have a repeat of the reckless mini-Budget that sent mortgages through the roof. We are backing business by releasing investment in sectors with potential to grow, including rail and road, green technology, green hydrogen and gigafactories. We are investing in our public services, including our NHS, early years and affordable housing, to ensure that we are ready to face the challenges of the next decade in an increasingly uncertain world. This is a Budget to deliver on the promise of change. It is a Budget that will fix the foundations of our economy, invest in our future, get the NHS back on its feet and rebuild Britain.

4.21 pm

George Freeman (Mid Norfolk) (Con): It is a great pleasure to follow the hon. Member for Birmingham Edgbaston (Preet Kaur Gill). It is also an honour and a pleasure, after 14 years, to be able to rise as a free man—free to speak on the Opposition Benches liberated from the tyranny of the Whips' handouts that are being so beautifully read from the Labour Benches, and from the tyranny of desperate ambition to get on to the Front Bench. I want to speak today, after 14 years on and off the Front Bench, about the state of the public finances. I shall speak much more in sorrow than in anger, not to score party political points but to share reflections on the real depth of the crisis this country

faces in our structural deficits and the challenge that this Chancellor, this country and this Parliament face in tackling it.

As a former Minister for life science, for fusion, for quantum and for space, I am delighted to have been elected by, I think, the House to the Science, Innovation and Technology Committee. I am also chair of the parliamentary and scientific committee—the oldest all-party group—and chair of the APPG on science and technology in agriculture. I am also proudly and gladly pleased to declare my entry in the Register of Members' Financial Interests. I am trying to repair my finances—I carry too much debt, like this country—by working with some great British companies to help them to raise money in the international markets and to grow. That is what this country has to do to get itself out of debt as well.

I want to say three things this afternoon: something about the real nature of the crisis in our public finances; something about why I so deeply believe the innovation economy is the only way to get us out of this doom loop spiral of structural deficit and debt; and something about my poor constituents in Mid Norfolk and the effect of this Budget on them. Tempting though it is to stand up and accuse the Labour Government of causing all the ills of the world, and to take no responsibility for them, I want to do the opposite and suggest that this Parliament and this country have for the last 25 years been failing to grapple seriously enough with the deep nature of structural deficit in our broken public finances.

I remember, when I was newly elected in 2010, having a brilliant briefing from Robert Chote and Paul Johnson of the Institute for Fiscal Studies, and having the structural deficit properly explained to me. That has stayed with me, and it is worth sharing for the benefit of those listening to this debate. Traditionally, all Governments in this country tax and spend. They earn money every year from tax revenues and then spend it. In some years, the economic cycle turns down, so we do not cut spending; we borrow a bit to maintain our spending and then repay it when the economic cycle turns. Occasionally in the cycle, we run deficits. The structural deficit is that bit of the public finances that means that, even when the economy is growing—even when it is growing at 2% or 3%—we are running a deficit, because there are bits of the economy that are constantly swallowing more money than we are capable of earning.

When we took office in 2010, debt interest was effectively the fourth biggest Department of state. We had a serious crisis on our hands. Looking back, if we are honest, new Labour did not pay enough attention to deep reform of our public finances during the “Cool Britannia” years of Gordon Brown and Tony Blair. In the 2007-08 crash, that Government unleashed £700 billion of borrowing and quantitative easing. We can argue about whether that was the right thing to do, but it drove huge asset price inflation and left us with huge debts.

The coalition tried to get us out of that debt with austerity, on which I think the country was with us for the first two or three years before feeling that we had overdone it. Yes, we had that crash, the disruption of Brexit, a terrible once-in-a-century pandemic and a war in Ukraine—we had £700 billion of QE, £400 billion of pandemic relief and £40 billion of cost of living relief—but we have effectively come back to where we were in 2010, facing a structural deficit and flashing red lights in the public finances. I call it the bonfire in the basement of

[George Freeman]

the British economy. Even when the economy is growing, even when we see Canary Wharf on the drive from Norfolk, the unseen bonfire in the basement eats away at the economy's resilience and sustainability. That should worry all of us involved in public policy, and I have a sneaking feeling that the public understand this.

The people I spoke to on the doorstep during the election were not economists or seasoned political observers but, after observing successive Governments fail, their common sense told them that there is a deep problem in the state. I suggest that much of the political volatility in recent years comes from an inability, including in my own party, to be honest about the scale of the problem. I think the Brexit revolution was driven by deep anger and resentment not just at Brussels, but at the failure of this country's political economy. People outside the golden triangle felt left behind by their own Government, their own country and their own model of growth.

The lecture I received in 2010 from Robert Chote and Paul Johnson is just as relevant today. Four things drive the structural deficit. The first is debt interest. There was an inflation surge because of the war in Ukraine, but we have been lucky that the markets have generally not punished us for borrowing too much. Second is welfare bills. The coalition implemented very painful reforms to stop the rise of the welfare bill. We did not cut the welfare budget; we just stopped its rise. Third is public sector pensions. Again, there were some very painful reforms, not to cut the costs but to prevent them from booming and bankrupting the public finances.

Those are all significant issues, but the biggest one, by far, is healthcare. The structural cost of healthcare in our ageing economy, with increasingly expensive medicines and an NHS designed for the 1940s rather than the 21st century, is in danger of bankrupting itself and the public finances. I am on record as saying, and I will repeat it, that the Health Secretary's honesty is a breath of fresh air. The NHS has not been broken by a lack of Tory funding—we have all poured money into the NHS—but the problem is that the model is not fit for the 21st century.

Much more in sorrow than in anger, I suggest that we need to start this debate by being profoundly honest about the real nature of the problem. The truth is that we cannot cut, borrow, tax or spend our way out of a debt crisis, and successive Governments have tried and failed.

I speak as a card-carrying supporter of industrial strategy, of increased R&D spending and of getting the country out of its current spiral and into a higher-growth model. I want to cheer much of this Budget, and perhaps there will be more to cheer when we read the Red Book tomorrow, but I am worried.

Chi Onwurah (Newcastle upon Tyne Central and West) (Lab): I thank the hon. Gentleman, my fellow member of the Science, Innovation and Technology Committee, for giving way. He knows that R&D funding is vital to driving innovation, productivity and future growth and prosperity. Does he agree that we should welcome the commitment to protecting core R&D funding, as well as the specific investment in high-tech areas such as automotive, aerospace and clean energy? Does he agree that the Committee looks forward to examining the detail of the Budget to see its impact on science and technology in every Department and across the country?

George Freeman: I thank the hon. Lady for her intervention and for her chairmanship of our Select Committee. I welcome bits of the Budget, including the £20 billion commitment. My right hon. Friend the Member for Richmond and Northallerton (Rishi Sunak), the former Prime Minister, and I secured an historic commitment to raise R&D investment to £20 billion when he was Chancellor, and I heard the Government ringfencing that amount today. I support the notion of an industrial strategy, as long as that does not involve earnest committees of Whitehall mandarins far away from the innovators, entrepreneurs and people on the ground. I support the wealth fund and the Mansion House reforms, but I have sincere concerns about the message that today's Budget sends about innovators, entrepreneurs, wealth creators and businesses. They are the people who turn great science into great businesses that drive growth.

Let me talk about why the innovation economy is key. If we want to get out of debt, the innovation economy provides the only model of growth that will deliver the productivity increases we so urgently need. It will reduce our reliance on the low-wage labour that has been completely built into the service economy, which has dominated this country since the 1980s and since the Tony Blair and Gordon Brown years of "Cool Britannia". That model was based on letting London boom and pulling in cheap labour, which drove an immigration crisis that my party got itself twisted up about and that put huge pressure on our public services. We have to get away from that model of growth, and move to a model of growth led by innovation, with higher skilled jobs, much greater efficiency and productivity.

Sectors are growing in this country that could attract billions of pounds of investment from all over the world. There is a wall of capital to invest in agritech, clean tech, fusion energy, satellite manufacturing—I could go on—and all the sectors where we are strong. That is the part of the economy that we should focus on, and it is the only bit of the economy that drives genuine regeneration. The sustainable levelling up is happening in Glasgow through the satellite manufacturing economy, in Edinburgh through quantum computing, in Newcastle through data, in Leeds through digital health and in Norwich through agritech. The R&D economy is the best mechanism for driving that levelling up and regeneration, and creating the opportunity society we all need. We cannot have an innovation economy without an opportunity society. I would go as far as saying that we cannot have an opportunity society without an innovation economy. That is key if we want to tackle the problem of debt.

Nesil Caliskan: Does the hon. Gentleman agree that supporting skills and employment is key to creating the sort of economic growth he talks about? Getting young people on a pathway to training and receiving the skills they need to secure jobs is critical.

George Freeman: I completely agree and the hon. Lady makes an important point. I was the Minister that covered that agenda. The science superpower piece is about our being a bigger player in the world, attracting billions into the country and using our science and research to solve global challenges. Our science ecosystem is not yet set up to do that—that is not even what it thinks it is there to do. The innovation economy piece is

about using the science engine to drive economic advantage in this country through the catapult network, greater industrial R&D, investment in skills, ensuring we train the workforce for tomorrow's industries, procurement and regulation, and supporting innovation clusters. Skills are key to that.

In that context, a Budget is an opportunity, but the Chancellor has missed the fact that to drive the innovation economy, we need entrepreneurs, innovators, and people who will take a risk and create a business. That does not happen in the Treasury or, dare I say it, in my beloved old Department for Science, Innovation and Technology. It does not happen in Whitehall. Our job is to create the conditions for innovation to flourish.

I fear that the signal that has gone out from today's Budget is that although we have had a change of Government, we have not had a change in the core narrative. It feels to me as though Treasury orthodoxy has been reasserted. We will balance the books by making cuts, taxing existing wealth and chasing harder and harder after growth, but what we will see is growth down, inflation up, borrowing up, mortgages up and taxes up. We need to send a big signal that this country is open for business.

The hon. Member for Birmingham Edgbaston (Preet Kaur Gill) made an interesting point about the global investment summit, which we set up and which is now called the international investment summit. It is good news that that money is coming in, but I have to say that, in 30 years in the innovation economy, I have never seen so many people decide that they are going to sell their businesses and leave the country than I have over the past three or four months. The Government thought that they were playing a clever political trick of rolling the pitch, so that, on Budget day, the news would not be so politically damaging. However, they have misunderstood how mobile capital and talent are in the global economy.

We need people to want to come to this country. Often they want—I did not—to put their children into independent schools. They want to make money here. They want to build businesses here. We need to attract them. We have no right to just assume that they will come. If we are to build an innovation economy, we need a tax regime that is fair. No one wants this to be the home of Russian money-laundering, international criminals and abuse of the non-dom system, but we have to build an economy that is attractive for innovators.

We also need to better connect the City to our science, research, technology and innovation sector. It is shocking to me, and it should be to this House, that, in 1997, 73% of the £3 trillion-odd held in the City—our money that is invested in pensions—went into equities, 53% of which went into UK equities. That figure today is just under 4%. In the past 25 years, we have seen the most extraordinary globalisation, digitalisation and indexation of the City. The City has not been encouraged by successive Governments, and has not itself been investing actively in the productive businesses of this country. We have seen a hollowing out in the City of its commitment to support British industry and British companies, and it is an accelerating model. In every month over the past four years, we have seen a net outflow of investment in UK equities.

I hugely support the work that the fantastic Parliamentary Secretary, His Majesty's Treasury, the hon. Member for Wycombe (Emma Reynolds) is doing on taking forward our Mansion House reforms. We must better connect our capital in the City of London to our productive innovation economy. I am not for a minute suggesting that everyone's pension should go into one biotech company—quite the opposite—but if we connect some of that money with our innovation economy, we will unlock tens of billions of private money—our money—to drive growth in this country. At the moment, we incubate world-class businesses and then watch the Australian and Canadian pension funds buy them, or American investors buy them out and float them.

I worry about today's inheritance tax and capital gains tax announcements. We will find that the devil is in the detail when we read the Red Book tomorrow. If we kill the engine that drives the people who create the companies of tomorrow, we will end up with a big science investment and not enough actual innovation in the economy.

To close, I want speak briefly about the issues in Mid Norfolk. It is a rural, sparse, disconnected place—it is something of a backwater—in the middle of East Anglia with poor traditional access. I am afraid that today's Budget will hit the two key groups in my constituency. Many pensioners have been hit by the winter fuel changes, and huge damage has been inflicted on the small businesses on the high street, including the hospitality businesses and the pubs. They were looking for relief—not just a penny off beer duty but real relief for businesses out in rural areas. The agricultural property relief hit will damage the rural economy of Mid Norfolk. I hope that when we read the Red Book we will see some better news, but my fear is that we have a change in Government, but all too little change in our economic orthodoxy. Just like a company, this country is running out of cash. We need to unlock much more innovative and enterprising models of economic growth.

4.38 pm

Dr Jeevun Sandher (Loughborough) (Lab): Today's Budget is when we start to turn this country around, rebuild prosperity and rekindle the belief that things can get better. With this Budget, we begin to rebuild hope. I became an economist and then a Member of Parliament to help set Budgets in this Chamber, because what we spend, tax and invest determines our future. In my teenage years, I had the privilege of growing up under a Labour Government, and I saw great Labour Chancellors, from this Dispatch Box, deliver Budgets that built a better Britain—a Britain where wages grew, where hospitals were built and where poverty fell. More than that, I saw a Budget and the creation of a country where hope and graft were rewarded, renewed and refreshed by a Labour Government who delivered on their promises.

But then I became an adult, and I grew up under a Conservative Government: a Government who cut investment and created a no-growth economy with the worst fall in wages since Napoleonic times; who cut home insulation and blocked clean energy, leaving us dependent on fossil fuels supplied by dictators like Putin; who blocked house building so that young people in my generation saw house prices soar while their wages only fell; and who cut defence and weakened our armed forces. We on the Government Benches understand

[*Dr Jeevun Sandher*]

that amateurs talk tactics and professionals talk logistics. That is what this Conservative Government left us with and gave us for my entire adult life—until now.

Winning the last election means that this Labour Government can rebuild our nation's prosperity and rebuild a country where wages rise and things do get better, with investment in our schools so that kids can learn more today and earn more tomorrow, investment in our NHS so that temporary illnesses do not stop us from working permanently, investment in clean energy so that we get bills down for good, investment in our police so that we can go to the shops without fear—and investment in homes for my generation; mum and dad, we love you, but it's time for the kids to move out.

Rebuilding this nation brick by brick is hard and patient work. We will not notice how each brick changes this country, as we do not notice the inches that make up a mile, but slowly, surely, certainly, as we invest in this nation, we will create a more prosperous Britain, where each of us can and will thrive. Some of us, including me, will measure that progress in numbers and graphs, but what we create will be defined by so much more: a country defined by hope and pride, where tomorrow is better than today; and a country built by a Labour Government upon Budgets delivered by a Labour Chancellor.

4.42 pm

Sammy Wilson (East Antrim) (DUP): Unlike the Father of the House, the right hon. Member for Gainsborough (Sir Edward Leigh), I have not sat through 45 Budgets, or however many he mentioned—I am far, far too young for that—but I have sat through a number of Budgets where, after a change of Government, Chancellors and Prime Ministers have sought to blacken the people they inherited the economy from. When I played football, we used to call it “getting your retaliation in first”; I think that we have seen a bit of that. We had it under the last Government as well, of course. For about three years, I had to listen to George Osborne telling us that the previous Government had not fixed his roof while the sun was shining, and I suspect that for about the next three years we will have to sit and listen to the black hole that the present Government have inherited—and so it will go on as people try to justify the situation they find themselves in and indeed some of the failures of Government, year after year.

When listening to debates like this, I suspect that there are points that go over the heads of most of the population. Billions are thrown around—“We're going to spend billions on this, and we are going to take billions out of that”—but that does not immediately resonate with the population. What does resonate, as we have seen in the last three months, is seeing figures that enable them quickly to identify the impact on them of the policies being introduced. I suspect one reason that there has been such reaction against the withdrawal of the winter fuel payment is that people can understand. They might not understand when the Government take £3 billion off a departmental Budget, but they understand when they take £300 off them in the middle of winter, when they are struggling with their fuel bills.

I wonder whether the Chancellor has learned that lesson already. I was relieved when she announced that she was not going to increase fuel duty. I suspect that

one of the reasons is that she knows that an increase would have been easily understood by people who went to a petrol station to fill their car up and saw another 7p on the price of petrol per litre. If she has learned that lesson, I am glad that costs will not go up for my constituents, many of whom live in rural areas and depend on their car. In Northern Ireland, an awful lot of our supplies come in by road.

One thing I am fairly sure of, looking at the broader picture that the Government have tried to paint, is that the Budget, and the behaviour of the Government in the lead-up to it, will increase the existing cynicism towards politics and politicians. During the election, the Labour party said, “We have a fully funded programme. We know what the figures are. We're not going to increase your taxes.” Then suddenly there is a black hole. After painting the black hole, what do the Government do? They immediately start spending stacks of money. They give wage increases, set up quangos to deliver net zero, and spend money on carbon capture and storage. Billions of pounds are suddenly announced against a background of: “We have no money, and we're going to have to put up taxes.”

Labour's promise was that no taxes would be imposed on working people. The Government tried to wriggle out of that. Who are these working people? Who will be affected? I will not go through all the iterations that there have been of “working people”. The fact is, as a result of the Budget, people know that they will pay more tax and their wages will be affected. I notice Labour Members shaking their heads; they should look at the report from the Office for Budget Responsibility. What prediction does it make? It predicts that disposable income will fall in real terms, real earnings will be reduced, and interest rates on Government bonds, which were already expected to go up, will go up further—all of which has an impact on people's livelihoods.

The Government promised that they would not fiddle the figures and would be dead straight with people. Yet immediately—the Chancellor talked about it today—they have started to redefine borrowing. It does not matter what we call borrowing. It does not matter whether we put it in one barrel or another; at the end of the day, borrowed money has to be paid back, and interest has to be paid on it. It does not matter how we classify it; it is fiddling the figures to try to pretend that borrowing is not borrowing, and it has consequences for the economy and for individuals.

There are some things in the Budget that I welcome. As the chairman of the loan charge and taxpayer fairness all-party parliamentary group, I welcome the fact that there will be a review of the loan charge. It will be interesting to see what its terms are; they are not outlined in the Red Book. We will have to tease that out from the Government. The all-party group would be more than happy to talk about what the terms should be, and what issues need to be addressed.

I also welcome the fact that the suspended city deals, one of which would have affected the periphery of my constituency, have been restored. Being a cynic, I wonder whether they were stopped so that they could be given back, and we could all be grateful that we had got something back as a result of our lobbying. I know that there was extensive lobbying by councils, by the Chair of the Northern Ireland Affairs Committee, the hon. Member for Gower (Tonia Antoniazzi), whose intervention

I welcome, by the Secretary of State, and by the political parties in Northern Ireland. Those city deals were important because, as we heard from the hon. Member for Mid Norfolk (George Freeman), one way of growing our economy and making it more robust is to spend on research and development and innovation. In both city deals, there was a strong element of research and development, and innovation hubs, and there had already been interest from the private sector because of the money that was going to be spent on them.

I also welcome the additional money under the Barnett formula. Northern Ireland has been short-changed under the funding formula for many years, because it was not based on need as it was in other parts of the United Kingdom. I note that it will, in future, be based on need, and that welcome change will help the Executive in the delivery of public services in Northern Ireland.

So many of my constituents have been affected by infected blood. Now that the funding commitment is there, I hope that there will be no slowdown in the delivery of that funding to those who have been infected.

I have concerns. About half of my constituency is rural and made up of small farms. The inheritance tax, and especially the ending of the agricultural property relief, will have huge implications. Not only do we have small farms, but the average age of farmers is 58, so many of them are coming to the point where the farm will be passed on. They are not cash-rich, so how will they pay the tax? They will simply have to sell the land, breaking up the farm and making it less viable. That will have a huge impact on the agricultural community in Northern Ireland. The Government have made a mistake on that. It will impact on small farms and food security. I hope that there will be greater examination of that.

Most of our many businesses in Northern Ireland are small and medium-sized businesses. The Government have placed further burdens on them in the Budget, not least in the tax on jobs and the cost of jobs through national insurance contributions, the threshold being lowered, and the percentage that businesses will have to pay. I believe that that will add to the difficulties that businesses are already experiencing.

I have already mentioned this last point. The borrowing that the Government will undertake will have—and is already having—an immediate effect on interest rates. The OBR points out that the yield on Government bonds is already increasing and will continue to increase. That will feed through to ordinary mortgage payers and to people who have to borrow money for their businesses. That will, in turn, have an impact on growth. In fact, the OBR indicates that, as the next four years go on, growth rates will fall—they will be lower at the end of this period than they are currently—yet this is meant to be a Budget for growth.

I noticed Members cheering the Government as the Chancellor made her announcements today. I hope that they are still cheering in a year's time; I hope that they are still cheering in two years' time. I want to see people cheering—I do not want to see the country do badly just to make a political point—but it is important that we are honest about the warning signs and do not build the expectation that this Budget will deliver all the good things that the Government talk about. We will certainly examine and hold the Government to account over

future years on whether the policies that they have announced today will deliver what was promised to people.

Several hon. Members rose—

Madam Deputy Speaker (Judith Cummins): Members will be aware that this debate is very oversubscribed. In order that people can help each other, I am imposing an informal seven-minute time limit.

4.54 pm

Matt Western (Warwick and Leamington) (Lab): It is a pleasure to follow the right hon. Member for East Antrim (Sammy Wilson). I hope that in a few years' time I will be joining him in celebrating growth rates that exceed the target objective.

What a tour de force by the new Chancellor! If only we had had a general election back in the summer and autumn of 2022. There has never been a more important Budget in recent years. After more than a decade of decay, this Budget must herald a decade of renewal. As the previous Labour Government did from 1997 to 2010, this Government must rebuild our country by founding a stronger, more diverse and more balanced economy. As the Chancellor has spelled out, we will do so by investing in our country, growing the economy and attracting private investment. Only then will we be able to restore the public services that the public need and expect.

This Budget sits in stark contrast to the 14 years of failure we have just suffered. It takes us beyond the absolute poverty, the waiting lists in our hospitals for surgery and cancer treatment, the decay in our crumbling schools, the teacher retention crisis, and an economy that has been virtually stagnant, boasting terrible productivity and income inequality. Those are the dreadful metrics of the last Government. The Institute for Fiscal Studies says that UK economic activity is 36% lower than it would have been if it had continued to grow in line with the 1997 to 2008 trend. That is a lower level than the eurozone or the United States, and when measured in terms of productivity, the latest 10-year average of growth in potential GDP per worker is zero, the second lowest level in the past 150 years. It is an economy still reeling from the events of Truss's kamikaze Budget that sent mortgages soaring and prices skyrocketing.

Turning to inequality, the UK now has the ninth most unequal incomes in the OECD. Wealth inequality is even more glaring, with the top fifth of the country owning 63% of its wealth, while the bottom fifth hold only 0.5%. That does not just impact the amount of money in people's pockets: it impacts the economy, too. That is why I believe we must address the imbalance of regressive flat taxes. Council tax must be addressed in the future, and I am glad that the Chancellor has closed tax loopholes and rebalanced the burden of payments, placing it on those who can afford it.

At the same time, this Budget will ensure that hard work pays off by raising the minimum wage. I welcome this—it is striking that many states in the US already pay a higher relative minimum wage than we in the UK do. Hard-pressed households facing the cost of living crisis will also welcome today's Budget. The fact that we have frozen fuel duty is important, as is not having any

[*Matt Western*]

increase in income tax, personal national insurance or VAT, as well as the penny off the pint. Those measures will all be welcomed by constituents of mine in Warwick and Leamington.

However, it is through investment that we can grow and rebalance our economy. Strikingly, 14 years of the Conservatives' economic policies have led to our having the lowest level of public and private investment in any G7 economy. That is why I am proud to be standing on the Government side of the House discussing this Labour Budget, because we understand the synergy between investing in people and investing in the economy. We have already put £7 billion into a sovereign wealth fund, we have set up GB Energy, and we will be establishing Skills England to ensure we have the skills for the next decade. The investment summit a few weeks ago announced £63 billion—an extraordinary achievement. That investment is desperately needed, as was pointed out by Gus O'Donnell, Jim O'Neill, Mariana Mazzucato and Mark Carney. They argue the case for loosening the fiscal rules, stating that

"The current fiscal framework has helped to drive this short term thinking and created an inbuilt bias against investment".

That point is also supported by the International Monetary Fund.

For years, economists have been calling for a radical shake-up of our economy: we need to shift from a consumption-driven economy to an investment-led one. As such, I welcome the Chancellor's announcement of support for vital sectors, such as the energy transition and the automotive industry, through the advanced manufacturing plan. The opportunities are huge—that is why the Industrial Strategy Council is so important—so the support announced for green hydrogen, gigafactories, the life sciences and the aerospace sector, as well as the £2 billion promised for electric vehicles in the UK, are so important.

We need investment in our schools, our infrastructure and our NHS. I am particularly pleased to see the additional investment going into our NHS, because we can only become wealthy as a nation if we are healthy as a nation. If we do not address our NHS, we will worsen people's lives, but this will also have a significant impact on our economy. In 2023, the number of people economically inactive because of long-term sickness rose to over 2.5 million.

I would love to talk about productivity, Madam Deputy Speaker, but perhaps I will do it another time. However, a London School of Economics report last year found that UK productivity is lower than that of France, Germany and the United States. That is why we need investment, and why we need to address the flexible labour laws in this country that have led or contributed to lower than average investment.

I am conscious of time, but I welcome all the measures that my right hon. Friend the Chancellor has announced, particularly on addressing the issue of business rates, which is so important for our town centres up and down the country. I welcome the investment in local government—the additional moneys for potholes, for example—but also the support for families, carers and children with SEND.

This Budget is about stability, certainty and credibility, and about investing in our economy, which is so important because, above all, we need to fix the foundations of our

economy. The Chancellor has set out the plan to deliver that change, as was promised to the British people, and I commend the choices she has made.

5.1 pm

Nigel Farage (Clacton) (Reform): I think we have to give credit to the Chancellor for a Budget that, in political presentation, was very clever. The SNP has had an absolutely rotten day, and the decision to put money into potholes was clever. The fuel duty freeze is very welcome, especially for those living in rural parts of our country. But for me, the big one is of course the 1p off a pint off draught beer. I have worked out that it will save me over £1 a week, so I am particularly thrilled about that.

I sat listening to the numbers thinking that this Budget is economically illiterate. I do not know who is doing the sums—perhaps it is the right hon. Member for Hackney North and Stoke Newington (Ms Abbott)—but the sums do not work. The markets now agree with me, because just in the last couple of hours we have seen a very substantial spike in gilt yields. We are not yet quite back to the mini-Budget of 2022, but clearly people are saying that this is not going to work. Even more concerning, I suppose, is that the new head of the Office for Value for Money, David Goldstone, served for many years on the board of HS2, which I would suggest is the very opposite of value for money.

Matt Western: On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker (Judith Cummins): I hope this point of order will be relevant. Can you confirm that it is relevant?

Matt Western: It is relevant, Madam Deputy Speaker. The hon. Gentleman mentioned my right hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott), but had he warned her that he would be mentioning her in the Chamber?

Madam Deputy Speaker: I thank the hon. Member for the point of order. However, that is not a point of order; it is a courtesy of the House.

Nigel Farage: Nice try! I was just gently teasing, that was all.

We heard "invest, invest, invest" at the start of the Budget statement, and I thought, yes, that is absolutely what we need—not just from the big multinationals that come to smart conferences, but equally from hundreds of thousands of people putting their own risk capital into start-ups and new businesses. But no, this "invest, invest, invest" is going to be done by the Chancellor on our behalf. Not only was she a top economist at the Bank of England, but she is now going to be the fund manager of the nation, investing money and trying to pick winners. I would suggest that the last time Governments attempted to invest money and pick winners, back in the 1970s, it ended very badly indeed.

Sarah Owen (Luton North) (Lab): The hon. Gentleman talks about investment in our country and in businesses, but I just question whether he would prefer to have investment from our Government, or investment from maybe the Russian Government.

Nigel Farage: Maybe one or two Members of the House ought simply to grow up, but there we are—it's a bit sad. I have worked in private business, and I do think picking winners is wrong. I think we leave that to the free market, and we let people either make money or lose money. Frankly, if they do their dough, well, that's just the way these things work.

Any business employing five or more people has been hammered today. I have set up and run companies, but nobody on the Government Front Bench has ever worked in private business. None of them understands what genuine risk capital is. From what I can make out, our Business Secretary has never even had a job.

Nesil Caliskan: Have you ever had a job?

Nigel Farage: I have had plenty of jobs—well, apart from being in the European Parliament, which doesn't really count, obviously.

What is dismal about this Budget is the growth forecast. If the ambition of our Chancellor is that in four years' time growth should be 1.5%, that is very bad news for everybody, particularly because it takes no account of the rise in population that will happen through legal immigration. It basically means a rise of 0%. Nobody has even mentioned the fact that gross domestic product per capita—wealth per capita—has been falling consistently nearly every quarter for the past two years. The bigger our population becomes the poorer we are becoming, and we must wake up to that reality.

The big picture is that we are in decline. We are getting poorer. There is no £22 billion black hole—that is nonsense. It is £2.7 trillion. Our debt repayments are £90 billion a year, and from all the figures I have seen today, that will be worse in five years' time than it is today. We need a complete change of culture. We need to start saying that success is a good thing, and making money is a great thing. People becoming rich is something we should encourage. We have to change our culture of work. There is this idea, "Oh yes, work from home, do a four-day week, get your work-life balance right"—well actually, why do we not say to young people that hard work is a good thing? Hard work is the only way that anybody succeeds individually, and the only way that we will have a chance as a country to turn any of this around.

Matt Western *rose—*

Nigel Farage: No, please sit down—honestly, you've had a go.

We are in much deeper trouble than anybody on either Front Bench dares to admit. That is a reality we should all face. We have a Labour party that could not define what a woman is or what a working person is, and after today I am pretty convinced that it cannot define what economic growth is.

5.7 pm

Ruth Jones (Newport West and Islwyn) (Lab): I would like to say it is a pleasure to follow the hon. Member for Clacton (Nigel Farage), but honesty forbids me and I will move on.

This is a long-awaited Budget. In Wales we have waited 14 years for a Budget from a Labour Government in Westminster who will finally work with, not against,

the Senedd in Cardiff, and provide support for the people of Wales. I am so proud that this is the first Budget to be delivered by a female Chancellor—the first female Chancellor ever in the UK. That is fantastic, and I am proud to have been able to listen to her deliver her speech.

Since I was first elected back in 2019, hundreds of constituents have emailed and written to me about the effects of previous Conservative Budgets, most noticeably after the disastrous mini-Budget by the former Prime Minister Liz Truss and Kwasi Kwarteng, the failed Chancellor. One constituent wrote to me:

"Everyday is becoming a struggle".

Another person had been living off less than £2 over the weekend and came into my office saying that they were "very low on food and...overdrawn."

As Members of Parliament, where we are able to help we do, but too often we have reached the end of what support we can offer too soon. I welcome this Budget, which will help working people after 14 years of constant deterioration in their living standards. We must be under no illusions: the Budgets of past Governments were Budgets to enrich the rich and to impoverish ordinary people, not help them. The situation that this Labour Government inherited as a result is not one that we wanted, but it is the one we are left with. We are faced with this black hole, and we must face up to it. This new Labour Government promised change from the failure of the past 14 years, and this Budget confirms our commitment to do just that. The Government have already taken steps to fix the foundations of the economy by shifting power towards working people with the Employment Rights Bill, by addressing the rail rip-off by bringing train companies into public ownership and by introducing a Bill to combat the Tory sewage crisis.

The Conservatives crashed the economy, sending mortgages through the roof. They wasted billions of pounds of taxpayers' money on their failed asylum system, propped up private rail companies that were not delivering and facilitated dodgy covid contracts, leaving the £22 billion black hole in the nation's finances and public services on their knees. Let us not forget that the £22 billion is a recurring amount, so it needs to be addressed right away. We cannot afford to wait any longer. After all their dither and delay, the Conservatives called an election and then ran away. All of that means there are choices to be made.

The first choice that this Government have had to make is to be open and honest with the electorate. All of us have felt the effects of 14 years of Tory Government. They were evident in every aspect of our lives. As my right hon. Friend the Chancellor has made clear today, the true scale of the problem did not become clear until very recently, when she actually had the keys to No. 11. The second choice that this Government have had to make is to be responsible in how to go about filling the £22 billion black hole created by the Tories. The third choice is to truly acknowledge the parlous state of our public services and the scale of work that must be done to address that. Crumbling buildings, poor staff morale and recruitment and retention problems are present throughout our whole public sector. Schools, hospitals and the brilliant people who sustain our education and health systems are crying out for the investment they need and deserve.

[Ruth Jones]

After 14 years of austerity combined with a post-covid inflation crisis, we have seen a decline in living standards and a soaring cost of living, all while private profits increased and the wealthiest became wealthier still. The Prime Minister is therefore right to insist that tax rises should not be levied on working people, but that those with the broadest shoulders should bear the costs—the very wealthiest and the large corporations that have registered soaring profits. As we promised in our manifesto, we will not raise national insurance, VAT or income tax.

Just as we pledged in the election campaign, Labour will protect working people—people like my constituents in Newport West and Islwyn. This Budget has delivered for Wales for the first time in a generation. Wales voted for change at the general election, and change has begun by sustainably investing in Wales's future. As Chair of the Welsh Affairs Committee, I welcome the £1.7 billion of new money for Wales through the Barnett formula and through direct spending. Most notably, I welcome the substantial increase in Barnett consequential for the Welsh Labour Government to put towards day-to-day spending on public services, such as the NHS.

I welcome the money to support steel communities, both through the transition board and by protecting the levelling-up funding in Port Talbot and elsewhere. I welcome the £25 million to make coal tips safe—I am so glad that our Government have stepped in so quickly to do that important work. I welcome the £430 million in funding for communities across Wales and investment zones to drive economic growth. I welcome the money for rail projects with the promise of a sustainably funded future. In Wales, we are seeing the largest real-terms settlement since devolution began in 1999. Labour is creating the conditions for long-term economic growth, so that people can finally enjoy the proceeds of their hard work and see an actual increase in living standards.

Change has begun. With this Budget, this Labour Government are investing in Britain's future so that we can protect working people, fix the NHS and rebuild our country. This Budget shows the difference that having two Labour Governments working together makes for Wales. I thank the Chancellor for her drive, determination and honesty, and I look forward to her remaining in her post for many years to come.

5.14 pm

Dr Ben Spencer (Runnymede and Weybridge) (Con): It is with sadness that I rise to speak in this debate on the Budget of broken promises. During the election campaign, I heard from many constituents about how they felt regarding their disillusionment with our political system. They feel that Westminster seems to talk only about itself, does not represent them and at times treats them like fools. This Budget damages our democracy in the contempt with which it treats our voters.

For the past few months, my constituents have been hearing from the Government that everything is going to be awful and this is going to be a punishment Budget, and they have been awaiting it with trepidation. They have heard that when the Labour party came into power, it discovered things it was not expecting, so it had to announce winter fuel payment cuts—despite the fact

that it had been talking about doing so in this place for some time. Labour has said that it has to make difficult decisions but that it will stick to all its promises, but—hey!—it turns out that it can pull out various loopholes that it had carefully weaved into its manifesto.

That is one of the reasons why over the past few weeks we have seen this incredible debate about what a “working person” is, which so far has been pure and utter sophistry. It appears that that is what so much of this Budget debate turns on, so what is a working person? Certainly, I would say I am a working person; people here are working people, for the most part. The majority of my constituents are working people, or had been until they started claiming a pension, and that needs to be respected.

Since the Chancellor said that there would be no tax rises on working people, this question has led to a great degree of confusion as we go through the Budget. Is a business owner, or someone who works as a tradesman, not a working person? Ironically, Labour says it wants to fix the foundations of the country, but I wonder where it is going to get the tradespeople to do so. How about people who save for their future? Are they not working people? How about our pensioners? Have they not been working people? How about people who use the bus? Are they not working people?

Thankfully, today I got an email from the TUC, which helped clarify who working people are. It pointed out that the TUC are the ones who represent working people. I think our constituents all know that unless they are a trade union member or someone who is dependent on the state, the Labour party does not think they are a working person, and it is coming for them. [Interruption.] Well, look at the tax rises. When Government Members start digesting the Budget—when they look at the impact of an extremely low growth rate over the next few years, the impact on farmers, who will struggle to pass on their farms, and the impact on small businesses, which we depend on for growth, investment and prosperity—they will regret what has been said today.

I was sad that the south-east and Surrey were not really mentioned. [Interruption.] Labour Members laugh, but they would do well to consider that Surrey is the biggest net contributor to the Treasury outside London. The Chancellor would do well to listen to Surrey MPs about the investment that we need in local infrastructure so that we can continue to provide money to the economy for the ambitions of us all. In my constituency, that means confirmation of support for the Weybridge health centre rebuild, fixing our level crossings and motorways, and rebuilding the Magna Carta school.

The Government had an opportunity with this Budget, and they have missed it. They have chosen duplicity over delivery, politics over pragmatism and sophistry over service.

5.18 pm

Naz Shah (Bradford West) (Lab): It is an honour to follow the hon. Member for Runnymede and Weybridge (Dr Spencer), but may I urge some humility given the number of repossessions that my constituents in Bradford West experienced after a Budget that he supported, which led to a run on the pound? It was not that long ago that repossessions increased, mortgages went up and people were suffering. The party over there think it is quite

good to—you know, food banks have become food porn. That happened under his Government's watch, so maybe there is a need for a little bit of humility.

Let me say thank you to the Chancellor—the first female Chancellor to stand in this Chamber—for delivering today's landmark Budget. I have waited more than 15 Budgets for one from the Labour Benches. It is heartwarming after nine years in opposition having to fight for the basics like school meals for children, and having footballers campaign for it. It was an embarrassment for us as a country when austerity was a political choice that the Conservatives made when they were in government.

It is lovely to see the grown-ups back in charge, delivering a Budget for the working people of Great Britain. There must be no doubt that the Chancellor's task to deliver that was extremely difficult, given the reality of the public finances that we inherited from the Conservatives. Today, the Chancellor put forward a plan to turn the tide. She has delivered a Budget that will put money back into the pockets of working people. It is a Budget that will not only save the NHS, but ensure that it remains the pride of our public services for generations to come. It is a Budget that provides for our children and schools, giving them the education they deserve for a brighter future. It is a Budget that invests in infrastructure to rebuild Britain.

From the moment the coalition was formed following the general election in May 2010, the then Prime Minister David Cameron stated that his first priority was to “reduce the deficit and restore economic growth.”

Well, how did that work out? Let me remind the House: by the end of the Conservative era, both those priorities had failed. UK GDP is now £400 billion less than expected in the OBR's growth rate forecast when the Conservatives took office in 2010. When it comes to wages, from 2010 to 2014, earnings grew at probably the slowest rate in more than 200 years.

For my constituents in Bradford, this Budget provides us with infrastructure investment, which I am really grateful for—a huge boost that we need. Therefore, I welcome the Chancellor's announcement today of funding for upgrades to Bradford Forster Square station and investment in mass transit system for the Bradford tramline, which will redefine the urban journey from Bradford city centre to Leeds city centre. That will improve public spaces, drive economic growth and ensure faster and more reliable access to essential destinations while linking key communities in between. I will be speaking to the Chancellor and the Secretary of State for Transport on the finer details, but this infrastructure investment is needed for Bradford to drive our economic growth.

On the flip side, what happened with the Conservatives? Time and again in the 17 statements I sat through they promised Northern Powerhouse Rail and to unlock growth. They promised to level up, and all they did was level down, level down, level down. Now, we have the chance to fix all those issues and what they did wrong. Our Chancellor and our Government had difficult choices because of Tory failures, but today they delivered. They delivered a pay rise for 3 million workers, the biggest increase in carer's allowance since its introduction and a £2.3 billion increase in core school budgets.

They delivered a Budget that tripled free school breakfasts, added £1 billion in funding for special educational needs and disabilities, and £1.4 billion for

the school rebuilding programme to provide our children with the school buildings they need to thrive in education. They delivered to protect the NHS, with an extra £22.6 billion for day-to-day spending in the NHS, £25.6 billion over two years to cut waiting times and 40,000 extra elective appointments a week—a manifesto promise made true and delivered today. People can have the care and the health protections in the NHS that they deserve.

This is unashamedly a Budget for working families and working people, putting money in the pockets of the very people who have been let down by 14 years of Conservative rule. I welcome this Budget, and I am pleased to see the positive impact it will have on my constituents across Bradford West.

5.23 pm

Llinos Medi (Ynys Môn) (PC): Diolch, Dirprwy Lefarydd. Today, the Chancellor had the opportunity for a transformative change, but she decided to give with one hand and take with another. Plaid Cymru recognises the terrible financial legacy inherited from the Conservatives, but this was not the way to fix it. There was no fairer funding formula for Wales, no sign of the £4 billion-worth of High Speed 2 consequentials owed to Wales, no devolution of the Crown Estate and no U-turn on the winter fuel allowance or an end to the cruel two-child benefit cap.

The Government could have tried to spread the pain with a bigger contribution by the very richest through a wealth tax, for example. Instead, the increase to national insurance will punish businesses and make it harder for them to create well-paid jobs. The Budget document suggests that there is an allowance for public sector organisations. I would appreciate some clarity from the Minister as to what that allowance entails and what constitutes a public sector organisation. Crucially, austerity will continue for some of the most vulnerable in our society, through failing to help the 540,000 pensioners in Wales to keep warm this winter and refusing to bring an end to the two-child cap in Wales, where a third of our children live in poverty.

There is little in the Budget that fixes the foundations for Wales. The uplift to the block grant will not rebalance Wales's fiscal settlement. Welsh councils alone face a £559 million budget gap in 2025-26. I am afraid that the changes to rules on inheritance will seriously threaten Welsh family farms, which are the backbone of our rural economy. In opposition, the Labour party supported Plaid Cymru's call for the £4 billion owed to Wales in rail funds. It criticised the previous Government for failing to give clarity on the Wylfa project in my constituency, yet in government it is repeating the same errors.

We welcome that Westminster is finally beginning to address coal tip safety. This is a long-standing issue that pre-dates devolution. This is an important first step in tackling its environmental impact, but communities will continue to suffer without meaningful efforts to create jobs and prosperity. I urge both the Welsh and UK Governments to develop a strategy that not only addresses safety and environmental concerns, but breathes life into local economies. That would be true, lasting co-operation.

Plaid Cymru will scrutinise every line of Labour's Budget, because Wales deserves more than broken promises. We demand a fair deal.

5.26 pm

Noah Law (St Austell and Newquay) (Lab): I very much welcome the Chancellor's Budget. It is a landmark Budget not just because it is the first Labour Budget in 14 years and the first Budget from a woman Chancellor in over 800 years, but because, as the Father of the House, the right hon. Member for Gainsborough (Sir Edward Leigh) referenced, of the intellectual change it represents. In that change, we are looking to enact a significant shift in the mindset of Budgets, from a no-can-do Britain to a can-do Britain; a Britain where we believe that investing is not simply a waste, but an un-blocker for private sector dynamism and investment of the kind that we so desperately need in Cornwall.

I welcome the commitment from the Minister for Industry, my hon. Friend the Member for Croydon West (Sarah Jones), to join a roundtable in the new year to meet the most promising industries in Cornwall. I am also delighted that our calls for structural funding, in the form of shared prosperity funding, have been honoured by the Government, particularly given the willingness of the previous Government to throw us under a bus, shipping young people on their not so merry way to a hare-brained national service scheme. I only wish that more Conservative Members from the previous Government were sat on the Opposition Benches to debate this landmark Budget with me this evening.

It is through the national wealth fund and GB Energy that we will be able to mobilise billions of pounds of private finance, de-risking investments to support critical infrastructure projects including in Cornwall, which will turbocharge the green economy and propel our country into the future. Our Labour Government will make sure we invest every penny of taxpayers' money responsibly, prioritising our public services and ensuring that economic stability remains at the heart of decision making, and protecting working people from preventable economic shocks, such as those we have seen. We are driving forward the green industrial revolution at home in Cornwall and I am committed to ensuring that the spoils are spread among the community. Our investment in skills and infrastructure will empower local people and open up those opportunities for growth and innovation.

Several hon. Members *rose—*

Noah Law: This Government's Budget—[*Laughter.*] I am actually making quite a brief speech, but I appreciate the eagerness of colleagues to lend their remarks to this landmark Budget debate. [*Interruption.*] I thank those sitting on the Front Bench.

This Government's Budget signals a clear departure from the short-termism and sticking-plaster politics of the last 14 years. They are committed to taking long-term decisions to fix the fragile foundations of this country and secure a prosperous future for all. For St Austell and Newquay and the clay country, that means not just recovery but a real chance to thrive, ensuring that our communities are at the forefront of this transformation and benefit from a brighter, more prosperous future.

5.30 pm

Mike Wood (Kingswinford and South Staffordshire) (Con): I do not know whether you, like me, are a fan of "Yes Minister", Madam Deputy Speaker, but if you are, you may remember the first ever episode of what was

supposed to be a sitcom. In the episode called "Open Government", Sir Humphrey started by explaining to Bernard, "Dispose of the difficult stuff in the title. It will do far less harm in the title than in the actual report."

That seems to be a lesson that the Chancellor of the Exchequer has taken to heart. While we see any number of posters, slogans, signs and reports with "growth" in the title—it even popped up once or twice in the Chancellor's speech—there is virtually nothing in today's Budget statement, or in the hundreds of pages of documentation that the Treasury has published today, that will actually lead to growth in our economy, and there was almost nothing in the King's Speech that could deliver the meaningful growth that the economy clearly needs.

With every hour that passes, it becomes clearer that the Chancellor's promises have not been delivered, and that there is a very wide gap between what was promised and the hopes that were raised before the election and what we have seen both in the legislative programme and in the first Budget in 14 years—as has been said—to be presented by this Chancellor of the Exchequer. The problem is not the black hole that the Chancellor claims to have found, but whose existence the OBR's "Economic and fiscal outlook" report does not support; the problem is not that hole, but the enormous gap—the chasm—between what the Chancellor and the Prime Minister promised in opposition and before the election, and what they are now delivering for our constituents. With every hour that goes by, people are seeing that they were sold a false prospectus on that growth. The OBR's report makes it absolutely clear that while it expects a temporary boost to GDP in the short term, there will probably be some crowding out of private activity in the medium term. That is why the OBR forecasts that the measures in the Budget will not raise growth but will cut growth, in 2026, 2027, 2028 and 2029. This is an anti-growth Budget.

We were looking to the Chancellor to announce measures to support growth locally in our constituencies. Where is the certainty when it comes to the levelling-up funds that our communities were promised? Where is the certainty when it comes to the long-term plan for towns that our communities were promised—the plan that, in my previous constituency before the election, I worked so hard with local stakeholders, local councils and the combined authority to help to secure? The new boundaries mean that those projects are no longer in my constituency but in those of Labour Members of Parliament. Although it has been pointed out repeatedly that people voted for change, the people of Brierley Hill did not vote to lose a next-generation vehicle technology centre that would deliver the new skills that the community needs. The people of Dudley did not vote to lose £20 million of long-term investment from the towns fund, which would make such a difference to the community.

Graham Stuart (Beverley and Holderness) (Con): My hon. Friend is giving a powerful speech on this Budget of broken promises. People in Dudley and elsewhere did not vote for this Labour Government to put up taxes on working people, yet the OBR has said today that 76% of the cost of the rise in national insurance contributions will come out of ordinary working people's wages. Does he agree that they are rightly angry about that and will get angrier still when they understand the implications?

Mike Wood: My right hon. Friend is absolutely spot on. We do not need to take his word for it, definitive though it is. The Chancellor herself was clear that many of the tax rises that she has introduced today are taxes on jobs and can only find their way out of people's pay packets.

People were sold a false prospectus on our national finances. Before the election, the then shadow Chancellor promised that Labour would be the party of "fiscal responsibility" and that she would have "iron discipline". Well, at least Gordon Brown was faithful to prudence for a full term. It looks as though fiscal responsibility has been jilted at the altar by the Chancellor within her first few months. Page 6 of the OBR outlook makes it clear that the measures in this Budget will increase borrowing by £150 billion over the course of this Parliament.

Nesil Caliskan: If the hon. Gentleman thinks that taxes on businesses should not increase, where should the tax burden lie? If he does not think that borrowing should increase, what would he cut from the Budget?

Mike Wood: We have yet to see the departmental allocations. It is clear in the OBR's projections that there are massive increases in borrowing, but even the savage tax rises that have been set out today are dwarfed by the increases in spending. The choices that the Chancellor has made are not to do with any black hole; they have been made because of her priorities, which were set out before the election. People were told that taxes would not have to rise under a Labour Government, but they are now seeing the reality. The current budget deficit will increase by £9.3 billion a year.

Mark Ferguson (Gateshead Central and Whickham) (Lab): I notice that the hon. Member still has numerous pieces of paper in front of him, so I hope that he is coming to this point. The Chancellor stood up today and made choices for the future of the country. We can agree or disagree with the choices that have been made, but I am not hearing from any Conservative Members what alternative choices they would make.

Mike Wood: The Chancellor and the Prime Minister made it very clear to voters that nothing in Labour's plans would require tax rises, other than very specific tax rises that they had indicated. They said that they were not looking to raise taxes on businesses, working people and farmers, which was dismissed as "a lie" in the television debate. We now see that the claims made during the election campaign were untrue only inasmuch as the Leader of the Opposition and shadow Chancellor hugely underestimated how much the Labour Government would hike people's taxes. Again, a false prospectus was sold.

Page 11 of the OBR's outlook sets out that earnings growth will halve over the course of this Parliament. This is a betrayal of working people. It is the tax on jobs that the Chancellor was so keen to attack while in opposition. The increase in business rates will add £6,000 to the bills for a typical pub at a time when so many are only just managing. Per worker, the increases in national insurance contributions for businesses will add—

Tom Hayes (Bournemouth East) (Lab): Will the hon. Gentleman give way?

Mike Wood: I am getting glances from Madam Deputy Speaker to suggest that I ought to be winding up.

The costs are proportionately much higher for those who employ part-time workers on modest incomes. As my hon. Friend the Member for West Worcestershire (Dame Harriett Baldwin) has said, we are seeing French labour laws and German taxes, and I fear that will lead to Spanish unemployment rates. This Budget is damaging for growth, for national finances, for small businesses and working people and for farming in our rural communities. It is smoke and mirrors. It is the fiscal equivalent of the people on Westminster bridge who invite tourists to put money on "find the lady". It is a Budget that is hidden behind semantics, sophistry and small print. It is bad for the country and the sooner that it can be reversed, the better.

5.41 pm

Kanishka Narayan (Vale of Glamorgan) (Lab): It is a privilege to speak in this historic Budget and on this historic day, and I start by congratulating my right hon. Friend the Chancellor and the Treasury team. For 14 years, the people of the Vale of Glamorgan and this country have carried the weight of hope, pent up inside. Today the Chancellor has weighed up their hopes, looked them in the eyes and lifted them. For that I congratulate her and the entire Treasury team.

Government is supposed to be the means by which ordinary people exercise their collective agency to shape our communities. For 14 years, the Conservatives denied ordinary people their voice. They denied us collective agency and a sense of hope in our community. Per-worker productivity growth in the past decade was the weakest on average since 1850. That is the worst foundation for shared prosperity. Public services are on their knees. That is the worst foundation for shared dignity. Our Army has shrunk and our prisons are bursting. That is the worst foundation for shared security. And through it all, we have had the double whammy of high borrowing rates and low nominal growth, through which they punched into our weak foundations a further £22 billion fiscal black hole.

As a side note, it is astonishing to me that the hon. Member for Kingswinford and South Staffordshire (Mike Wood) talks about fiscal responsibility and semantics. I do not think he was rising and talking about that during the sharpest spike in overnight gilt yields this country had seen in the 21st century. This is a national embarrassment for the Conservatives. They should be standing here and apologising. They should be pointing the finger down, as they ought to have been doing at the time, and apologising for what they were doing, but I see no contrition on that side of the House.

There are those who ask why we talk about the £22 billion black hole the Conservatives left, and why we dwell on the past. I do so because, if we are to grip the urgency of where we must go, we have to know where we have come from. Even more, amid the worst foundation for prosperity, dignity and security and the final punch of their fiscal black hole, there is a deeper inheritance, which is one of diminished trust and diminished hope that we can get out of their hole. That is why the Chancellor's Budget is not just good for our economy but essential for my community in the Vale of Glamorgan. It says with strong conviction, "That was them. This is now us." It is the voice of ordinary people expressed in

[*Kanishka Narayan*]

our collective agency. Foundations that were wrecked by them will now be fixed by us. The OBR that was trashed by them, and is still being trashed by them, will be affirmed by us. Investment in our future, our health and our jobs that was structurally slashed by them will be regained by us.

Graham Stuart: The hon. Gentleman talks about investment for our future. What is he going to say to the farmers of the Vale of Glamorgan who fear that they will no longer be able to pass on their farms to the next generation, as each generation before them has been able to do until this black day of broken promises in this Budget?

Kanishka Narayan: I will say to them what I said during the campaign, which is that I see the pain inflicted on them over the past 14 years. The fact is that the animal welfare and environmental standards of our proud Welsh and British farms were sold down the river in trade deals negotiated by Conservative Ministers while the right hon. Gentleman laughed along. It was absolutely unacceptable. That is what I will say to them, and I will confirm that we will not allow any of it to happen again.

Structural investment in our future was slashed by the Conservatives, but it has been restored by us. Borrowing rates shot up under them, including the biggest overnight spike in short-term gilts in the 21st century, but they have been brought back to par with the United States by us. The markets were decried as conspiracists by them, but those same markets now hail the return of British fiscal credibility due to us. Wales was denied a voice by them, but it is now front and centre again thanks to this Budget and this Government. Real wages were squeezed by them, but the national living wage is now rising again. Fuel duty has been frozen, carer's allowance has been increased and, much to my heart's delight, 1p has been taken off the price of a pint in pubs in Vale of Glamorgan and across the country. At the heart of it, trust, the most critical foundation of my community, ripped up by them, and now, brick by brick, rebuilt by us.

Several hon. Members *rose*—

Madam Deputy Speaker (Judith Cummins): I remind Members that we are pushed for time, so I am imposing an immediate five-minute time limit.

5.46 pm

Pippa Heylings (South Cambridgeshire) (LD): It is so inspiring for women and girls across the country to have heard the first female Chancellor deliver her Budget today. As Liberal Democrats, we will always welcome those parts of the Budget that aim to take the NHS off life support after so many years of under-investment by the last Conservative Government. It is good to hear those commitments today.

If we are to fix the NHS and bring down the disastrous treatment and appointment backlogs that are causing incredible suffering to constituents across the country, we need not only to repair hospitals with crumbling roofs but to build new ones, and urgently, because progress

has been far too slow. We all knew that the new hospitals programme was ambitious but, sadly, the Conservatives failed. Originally, 40 new hospitals were promised by 2030, but not one of them has yet opened. In a cruel irony, we find ourselves with a backlog of hospitals waiting to be built, with no assurances in this Budget on how many will be funded.

In my constituency, the cutting-edge Cambridge cancer hospital, with its great ambition to change the story of cancer forever, will offer lifesaving treatment to patients across the east of England, including, I hope, my husband. What really sets it apart is that in the same building, alongside the patients and their medical teams, academic and industry researchers will focus on delivering groundbreaking early detection and innovations that will transform the lives of millions of cancer patients, not just in Cambridgeshire and the east of England but worldwide.

However, this new hospital is trapped in uncertainty. Despite having had a full business case approved, planning permission granted and spades in the ground, this essential hospital is on hold. Every day that we wait for the final green light, the costs escalate—not only the cost of the building but, potentially, at the cost of human lives, too. The Government have placed these hospitals that were promised in 2019 under review, because despite their promises the Conservatives never allocated the necessary funding. We wait with bated breath for the final decision, which is now set for January 2025.

I had the pleasure of meeting the Secretary of State for Health and Social Care to discuss the situation facing the Cambridge cancer hospital in my constituency. I received assurances that funding to support the costs of the contractor is still being paid. Will the Chancellor commit finally to allocating the funding necessary for the Cambridge cancer research hospital, so that the promises to all those in the east of England and beyond who are desperate for groundbreaking, lifesaving cancer treatments are not broken once again?

5.50 pm

Steve Yemm (Mansfield) (Lab): Although it is disappointing that the Conservative Benches are almost empty, it gives me great pleasure to welcome the first Labour Budget in more than 14 years.

I am delighted that the Chancellor herself visited Mansfield. She clearly listened to the concerns of my constituents, because many of the things local people have been saying they wanted to see were announced in the Budget this afternoon. During my election campaign, I set out a mandate of five missions to deliver as part of my commitment to help the people of Mansfield and Warsop. It is refreshing that today's Budget will enable me to deliver on those missions, alongside the national missions we have as a Government.

Nottinghamshire has previously held the accolade of being the worst place for potholes in the UK. My constituents regularly contact me in exasperation about the state of the roads in Mansfield, after eight years of failure from the Tories in county hall. The people of Mansfield will therefore welcome the news that we are investing almost £1.6 billion more to maintain and renew the nation's roads, enabling us to go even further than the previous Government's commitment to fix an

additional 1 million potholes across England each year. I look forward to working with Ministers to ensure Nottinghamshire gets its fair share of that funding.

My residents in Mansfield report to me their experiences of the 8 am scramble for a GP appointment. They want more investment to rebuild our NHS and to cut waiting times. I am glad we made progress today towards dealing with the mess left by the previous Government. I know those Mansfield residents will welcome the Chancellor's announcement of a more than £20 billion increase in the day-to-day health budget, helping to deliver our manifesto commitment to fund 40,000 extra hospital appointments a week, increasing capacity for tens of thousands more procedures next year, and delivering new capacity for over a million additional diagnostic tests.

Local people want to see us fix our broken housing market, for both buyers and renters. The £500 million boost to the affordable homes programme will help local authorities and housing associations.

Visitors to our town centre want us to crack down on crime and antisocial behaviour. I know the people of Mansfield will welcome today's announcement to increase the core Government grant for police forces.

My final focus is to see us create the conditions for a stable and growing economy that benefits the prosperity of people in Mansfield and Warsop. The Chancellor clearly understands that, with the announcement of an additional £300 million for further education by transforming the apprenticeship levy into a growth and skills levy. I look forward to collaborating with my colleagues in Government to deliver the benefits of that package for Mansfield.

Stability ensures energy security, protects household budgets and gives my local businesses the confidence to invest in people. Stability means that instead of worrying about political infighting and jumping from one crisis to the next, we can invest in our public services. That is what the people of Mansfield sent me here to deliver on, so I am very pleased that our first Budget is protecting working people. We are choosing to ask the wealthiest and businesses to pay their fair share, while ensuring that working people will not face higher taxes in their payslips.

The Conservative party wrecked the economy. Today we are fixing the foundations and beginning the work of rebuilding it. That is why I am so proud to be part of this new Government, to support them and to support this Budget.

5.54 pm

Brian Mathew (Melksham and Devizes) (LD): Many Members have welcomed aspects of today's Budget, and I do, too, especially the additional funding for the NHS and for school rebuilding in the face of the reinforced autoclaved aerated concrete crisis. However, the impact on small farms that are slightly larger than the £1 million threshold will be devastating and will see family-owned farms in my constituency, and no doubt across the UK, selling out to big business as inheritance tax literally tears them apart. I urge the Government to think again on that before it breaks up family farms, threatens food security and destroys communities.

5.55 pm

Blair McDougall (East Renfrewshire) (Lab): I am not surprised to see the Conservative Benches so empty as we come to scrutinising their economic record.

People understand that our inheritance from the previous Government was not one of poor delivery or of an economic downturn, but was one of national decline. Everywhere we look in this country, things simply do not work. People understand that, because they live it every single day of their lives.

I disagree a little with our Front-Bench team in its analysis of the Tories' record on growth. There is a record on growth that the Tories deserve to have their names attached to: the number of food parcels given out in this country grew to 3 million; the number of workers on zero-hour contracts grew to more than 1 million; the number of patients on waiting lists grew threefold; the number of people having to pay for private treatment reached almost 1 million; the average heating bill grew by more than 100%. The problems grew and grew under the previous Government and the response became smaller and smaller. They shrank from the challenge, refusing even to acknowledge the problem, and even hiding it in their own Budget.

A number of hon. Members have fondly mentioned Alistair Darling today. Everyone who knew him and who was friends with him will be thinking about him today. The worst insult that Alistair had for someone was that they were not serious. The right hon. and gallant Member for New Forest West (Sir Desmond Swayne) impressed the House by quoting some Swahili. My Swahili was learned from "The Lion King". That idea of Hakuna Matata sums up the whole economic attitude of the previous Government. It is clear from listening to Conservatives today that, if the voters had not intervened, they would have kept on for year after year with cuts, under-investment and austerity. Thank goodness that we have serious leadership again and a Budget that moves us on from that failed project.

There will be debate about how public debt is registered within the public finances, but these are not technical details. That we took such strict view of investment in this country is why we have so few scanners in hospitals, why kids in my constituency spend their whole childhood in crowded homes, why families are waiting for social housing, and why kids are in classrooms that should have been rebuilt. What a relief it is to see that investment today. In my constituency of East Renfrewshire, I welcome the investment in hydrogen, building on the advantage that we already have there.

Values are, as others have said, about choices. We have seen the choices of the Opposition. They choose to stand with the 1% who pay capital gains tax over the 99% who do not, with the 0.1% of the population who are non-doms over those who are not, and with the private jet-setters over the masses. If they oppose the revenue raisers, they are also setting themselves against the spending and investment.

Speaking of being serious, as a Scottish MP I am delighted that the adults are in charge here, although the clowns are still in charge of the circus in St Andrew's House—and it is not surprising that SNP Members are not here today. With the largest ever settlement of the devolution era, they are left naked. The last fig leaf covering their embarrassment is gone, their own inadequacy is exposed, and what it lays bare is not very impressive. Today offers the chance for Scotland to deliver change based on the investment that has been made available by Labour, but it cannot go down the same drain that everything else has in Scotland.

[*Blair McDougall*]

This Budget offers the opportunity to grow the economy, incomes and industries, but there is something else stirring today that other hon. Members have mentioned, and it is an unfamiliar feeling: we can begin to hope again. We can begin to hope, to feel proud and to look forward to the future of our country once again.

6 pm

Torsten Bell (Swansea West) (Lab): I praise my hon. Friend the Member for East Renfrewshire (*Blair McDougall*) for his speech and for his reference to Alistair Darling, who would indeed think that not being serious was the worst thing that could possibly happen. But he also would have had his definition of seriousness, which would be saying that on a day when we have a huge Budget like this and people will be spending their time going through all the weeds—I promise you, Madam Deputy Speaker, it is sorely tempting—we should focus on the big picture choices that have been made, because those are the choices that will define not just this Budget, but this Parliament and this Government.

I will touch on two of those choices today: first, the choice that the state of the public finances and public services cannot continue as it is today; and, secondly, the choice that we cannot continue to be a country living off our past rather than investing in our future. Those are the choices of this Budget, and the fact that Opposition Members are not in their place shows that they do not know what their choices are and they do not have answers to those questions.

Let me turn first to the public finances and public services. We all live in parts of the country where people are not getting the operations they need, where crimes are not being investigated, and where prisons are overflowing and do not have the places we need them to. In order to turn that situation around, tax rises are inevitable, and we will start to do that through the tough but fair choices set out by the Chancellor today.

Several Opposition Members have suggested that our position on the public finances is a looser perspective, but the truth is that the fiscal rules we have set on current spending today relate to a target that was not met once—not in one single year—under the previous Conservative Government. I think most Opposition Members know that public services are not sustainable and that they left the public finances in bad shape. The peak of austerity was back in 2018, and they knew then that it could not be sustained politically or indeed socially, because they promised to bring austerity to an end.

But it has not felt like austerity has been brought to an end. Yes, that is partly due to difficult circumstances, from covid to the cost surges on energy, but it is also because the previous Government were distracted, promising tax cuts while delivering tax rises. I invite all hon. Members to turn to chart 4.5 in the OBR document to recognise that the tax rises put in place by the previous Government were much larger than the tax rises that have had to be announced, regrettably, by the Chancellor today. If tax rises are the death of growth, the tax rises that the country is living with are Tory tax rises.

This is not just about tax; the previous Government were also promising public service improvements without allocating the public spending to make them a reality, as

the OBR has laid out clear and bare today. We all know the result. Public services are worse today than they were in 2018, and the spending plans we inherited would have made them worse still, with £1 in every £10 cut from day-to-day public service spending. None of us thinks that is possible, so we have made a different choice. We have chosen to take tough but fair choices on tax and to put in the spending that is needed, including £1.7 billion for Wales.

Let me turn to the second choice that I outlined at the start of my speech: the choice to invest. We cannot carry on living off our past rather than investing in our future, and even if that were ever an option, it is not today, after we have done so for three long decades. The previous Government were planning a cut of a third in net investment—over £20 billion a year. Why? Yes, because politics of all stripes has short-termist incentives, but also because for too long our macroeconomic framework has had a heavy bias against investment spending built in.

Fiscal rules have driven cuts whenever bad news has arrived, which drives problems in the volume of investment—the average OECD country has invested 50% more than us this century—and in the volatility of investment. That was what the previous Government were planning, and that weak investment undermines growth. It has been said a lot today that business will not like every measure in the Budget, and it may not, but we need to be clear that business investment in Britain has been lower than in every other G7 economy in previous years. Why? Because of a lack of stability, from Liz Truss to Boris Johnson; because things cannot be built; because we cannot get the workers; because we have run down the NHS and people are too sick to work.

It is true that this is a big Budget and there are big choices that we have to recognise. How do we deliver stable public finances? How do we deliver functioning public services? How do we deliver an investment programme that underpins growth, rather than undermining it? We should all agree that those are the questions facing the country, and the Tories lost the election because they did not even try to answer them. On the basis of today, they are still not trying. The Chancellor has answered all three, with tough but fair choices—not easy answers, but a new direction for Britain.

6.5 pm

Josh Simons (Makerfield) (Lab): I, too, rather than getting lost in the weeds, will take a step back, because we in this country today, like allies over the Atlantic and across the channel, are reckoning with turbulent forces of change: technological transformation, ageing societies, the destruction of our natural world, vast inequalities of wealth and power, and mass migration across the globe. Ours is an age of insecurity and uncertainty—a moment when grasping the opportunities before us requires choices, such as whose side we are on, which industries will power growth, what frictions we will permit in pursuit of security, and which partners we will embrace around the world.

Today, the Chancellor has made choices. What underpins those choices is a simple but powerful point: because the challenges of this age are immense, the solutions must be equally bold. A turbulent age requires the confidence to stand tall, square up to what is not working and ensure that we reform what is not delivering

for the people of this country. The Chancellor's choices demonstrate that commitment, reckoning with the magnitude of the challenges that the country faces.

First, the Chancellor chose investment. Sometimes I wonder whether Conservative Members could benefit from more time to think through what they are really for and why, because to oppose the changes that she has made today is to welcome the apathy and defeatism that says that decline is inevitable. A certain mental attitude appears to have gripped Conservative Members: it is too hard; there are too many barriers; it cannot be done. By opposing the revolution in investment that the Chancellor unleashed today, Conservative Members have firmly put themselves on the side of the naysayers, and those who would lie still while Britain declines. Not us. Not Labour Members.

Graham Stuart: Will the hon. Member give way?

Josh Simons: I will make some progress.

Secondly, the Chancellor chose who the Government will stand beside, by raising taxes; taxing assets, wealth and those who can afford it; protecting working people; and following my predecessor, Ian McCartney, in raising the minimum wage, from which 8,000 of my constituents will benefit.

Graham Stuart: Will the hon. Member give way?

Josh Simons: No, I will not.

Labour Members are proud that, alongside the Make Work Pay package, the Government are delivering a generational shift in wealth and power towards workers—a shift that is long overdue. We know that eroding worker power and pay is bad for productivity and growth. More importantly, how can any worker in Britain trust their Government and have faith in their country when for so long the Government have failed to deliver for them? This Government will stand beside working people no matter what.

Lastly, the Chancellor chose to move Britain confidently into the future by being an activist Government, embracing a new era of technological change, investing billions in data storage and processing, and transforming how we deliver healthcare to shift towards prevention and community health provision. I hope that she and the Secretary of State for Health and Social Care will visit my local trust in Wigan, which is pioneering such healthcare in the towns I represent in Macclesfield.

For weeks now, Conservative Members—disinterested in big arguments about the future—have reverted to type. They have sought to sow discord and division, at times telling outright lies, and as ever wholly lacking the humility to reflect on why they are in opposition and we are in government. I have spoken to hundreds of constituents in the last month who have heard some of their nonsense, and to them I say this: I promised that this Government would not remove free bus passes for pensioners. We kept that promise. I promised that this Government would not levy income tax on pensions, and we kept that promise. I promised that income tax rates would not go up, and we kept that promise. We chose to back workers and tax wealth and assets; we chose to invest in our NHS; we chose to take Britain

into the future rather than wallowing in the past; and, above all else, we chose to keep our promises, because that is what Labour does.

I wonder whether Conservative Members will own up to their choices and show some leadership in an age when it is so badly needed. If they oppose our investment rule, which hospital and data centre would they cut? If they oppose our tax rises, which struggling public service would they sacrifice? If they cannot answer those questions, as they have not done today, the public will not take them seriously and will see them for what they are: the same old Tories, always navel-gazing, and always lacking hope and the imagination to see how things could be better and different, and what a stronger and more confident country might look like. Their party no longer measures up to the age in which we live. I, for one, am mighty glad that we have a Chancellor and a Government who do.

6.10 pm

Matthew Patrick (Wirral West) (Lab): Today, the Chancellor has not only made history, but has opened up Britain's future once again—history maker, game changer.

Governments do not decide the conditions in which a Budget is made, and nobody would choose these conditions, after 14 years of Tory failure, but Governments do get to decide the choices that they make, and this Government's choices are clear. They have decided to face the realities head on, protect working people's payslips and invest in Britain and our future—that is the responsible path. The Government reject the short-termism of the Conservative party, which brought chaos to Britain. The Conservatives have not even bothered to turn up to this debate on how we will fix the mess that they left—they shirked responsibility for 14 years and are still shirking it today.

Short-termism meant that prisons reached breaking point as sentences increased but the number of spaces did not. Short-termism meant a handbrake turn on HS2, as investors saw a Government who were not serious about their commitments or infrastructure. Short-termism meant that dental decay was the No. 1 reason for child admissions to hospital, and feeble inaction caused a crisis in dentistry. No wonder the country was left in such a mess. The Conservatives papered over the cracks with bluster and boosterism, leaving people to fend for themselves. Where they shirked responsibility, we will shoulder it.

This Government know that belief in Britain is measured not in false promises and hollow headlines but in real, meaningful investment. Our investment will mean more opportunities, better pay, and public services that are there when people need them—a Britain we can be proud of again. The Government are making long-term decisions so that we can look back on a decade of expanding opportunities and rising standards, not another decade of shameful decline, which the country, and working people, cannot afford.

We were elected to clean up a mess that was 14 years in the making. Nobody thinks that it can be undone in just one Budget, but what was announced today is the downpayment on change to bring back hope—and not false hope. Announcements of new hospitals that never come, plans to reduce debt that instead see it spiral, and

[Matthew Patrick]

unfunded tax cuts that crash the economy are not real hope. Real hope is built on solid foundations, including a £1 billion investment for special educational needs, £1.4 billion to rebuild crumbling schools and £30 million to kick-start breakfast clubs, allowing our teachers to focus on teaching and giving our kids the best start in life. Not only is that a good education policy, but it is good for the economy and the future of our country. I cannot wait until we open those breakfast clubs in Wirral West, to expand opportunities for parents and kids alike.

The investment of £22 billion in our NHS, and £600 million in social care, will mean more appointments, which will bring down waiting times so that people are not waiting years for the help they need. That is not just a good health policy; it is a policy that will make Britain stronger, happier and ready to take on the challenges coming our way. I do not want to be faced with more stories of my constituents waiting years for important operations. I have heard enough of those heartbreaking stories to last me a lifetime—stress upon stress, costing jobs and crushing hope.

What the Chancellor has announced today is vital: choosing investment over decline, rejecting failed short-termism and fixing the foundations. While we are at it, we are protecting the payslips of working people, with no increase in VAT, income tax or national insurance and a pay rise that Britain desperately needs: an increase in the living wage to £12.21 an hour, delivering on the promise of secure work and better pay. This Budget protects working people, invests in our NHS and rebuilds the foundations for Britain's future. Once again, we are investing in Britain, creating the conditions so that businesses the world over can do the same. It is a Budget of investment, and it is a Budget for investment. More of the same simply was not an option; hope was on the ballot in July, and this Budget brings back hope.

6.15 pm

David Pinto-Duschinsky (Hendon) (Lab): I thank my right hon. Friend the Chancellor for her Budget statement, which brought into sharp focus the choice that the country faces. The stakes could not be higher: we face a choice between beginning down a path of national renewal with today's Budget, or continuing decline and denial if we tread the path of the Conservative party.

We cannot fix our problems until we face up to them. The Conservatives parrot empty fantasies about their legacy, but the truth is that they have left our economy, our public services and our finances in ruins. The figures are stark: according to the World Bank, since 2014, real income per capita has only grown by 6%. That is without historical precedent. Poverty and hardship have risen, and meanwhile Britain has fallen behind. Since 2010, if we had kept up with comparable countries, the average household would now be over £8,000 richer. While our economy has languished, our public services have been run into the ground. NHS waiting lists have more than doubled. Criminal prosecutions and convictions have halved in recent years. Our schools struggle to recruit expert teachers. Our prisons are bursting. The list goes on and on.

That stagnation is not some kind of accident—some kind of economic act of God. Rather, it is the result of decisions made by the Conservative party. Under Liz Truss, the Conservatives crashed the economy, sending bills and interest rates soaring, but the Truss disaster was but one instalment of their 14-year story of economic mismanagement. Investment is the downpayment we make today to ensure prosperity tomorrow, yet for 14 years the Conservatives turned that logic on its head, mortgaging our future to pay for their political gimmicks and undeliverable plans. They invested 50% less as a proportion of GDP than our peers and hamstringed private investment, leaving us consistently at the bottom of the league table for business investment.

That may sound abstract, but the effects are all too real. Over the past decade, we have built only half as much motorway as Germany and a fifth as much rail track as Spain. Our overstretched hospitals have only half the average number of CT scanners seen in other OECD countries, and our crumbling schools have only half the number of electronic whiteboards. Today, Britain has barely half the capital per worker of comparable countries. No wonder we are growing slower—no wonder our public services are at breaking point.

The Conservatives failed the British people, and rather than coming clean, they overspent, hid the problems from the public, and hid the scale of their irresponsibility even from the Government's own budget watchdog: a £22 billion black hole, an emergency reserve spent three times over, with no money put aside for the infected blood crisis or the Post Office scandals. It was a festival of fiscal recklessness. For example, according to the IFS, the Conservatives spent the asylum support budget 25 times over, costing every man, woman and child in the country £110. Their cover-up has been laid bare by the review published by the OBR today, yet they remain in complete denial. They have no shame, and importantly, they have no plan.

As the Chancellor's statement has shown, though, where the Conservatives jeopardised our future, this Government will fix the foundations. This Budget will deliver stability, putting our public finances on a sound footing. Unlike the Conservative party, this Chancellor will never gamble with Britain's future. Instead, she will begin the work of delivering the investment that our economy and public services need, launching new investments, injecting over £6 billion into our crumbling schools and boosting the NHS with record investment. She will protect the payslips of working people, she will drive forward reform, and she will deliver the change the country voted for. It will not be easy, and change will not happen overnight. The Conservatives have left a terrible inheritance and, as we have heard throughout this debate, they have absolutely nothing to say about the answers they would offer.

Sir Desmond Swayne: Will the hon. Gentleman give way?

David Pinto-Duschinsky: No, thank you. I am winding up.

As the Chancellor has made clear, our Government will not shy away from taking the steps needed. We will not let our ambition be dimmed. To govern is to choose, and the Conservative party chose to put party before country. This Government and this Chancellor are making a different choice—to invest and rebuild, to fix our NHS, to protect people's payslips and to deliver

change. We are putting our country first. It is a choice that will give us our future back, and we should all support it.

6.20 pm

Tom Hayes (Bournemouth East) (Lab): In this Budget today, we are basically asking this question: what kind of country will we be? I think we should first think about this debate because we have desertion on the Opposition Benches. We have used lots of numbers in this debate, and I have quickly crunched some more: 3.3% of the Conservative parliamentary party are sitting facing us.

Mims Davies (East Grinstead and Uckfield) (Con): But high quality!

Tom Hayes: I think the hon. Lady should say the same to her leadership contenders. I think it is important to say that, because we have very big decisions being taken in this Budget. The Conservatives are now the Opposition, and the public have entrusted to them the responsibility for holding this Government to account for getting things right. However, there is a desertion of duty and a dereliction of what they are supposed to do that I think the country will remember.

Having campaigned in many elections and lost many elections over the last 14 years, I know the pain that comes from losing, but I also know the importance of listening to the voters. What we heard in the Leader of the Opposition's contribution to the Budget debate was a refusal to listen to the result of the general election. So divorced are the Conservatives from the reality of people's lives that they are projecting absurd notions. Again, I think the Conservative party will be judged on that, but enough about the Conservative party.

With our first Budget in 14 years, this Labour Government are putting Bournemouth and Britain back on track. We are fixing broken public services and broken finances. Unlike the Conservatives, we will fix the foundations rather than accept permanent decline. Unlike the Conservatives, we were elected to be on the side of working people, and we will govern as such. Unlike the Conservatives, we are on the side investment to grow our economy, and we reject austerity.

After over a decade of stagnant wages and out of control prices, we are putting money into people's pockets. Over 8,000 people across Bournemouth, Christchurch and Poole on the national living wage will see their pay packet increase by 6.7%, and they will get a well-deserved pay rise of up to £1,400 a year. Labour is cancelling Tory stealth tax increases by ensuring that income tax brackets will rise with inflation from 2028, and we are freezing fuel duty. After years of economic mismanagement, Labour's Budget will boost our local economy, and we are restoring economic stability to give businesses the confidence to invest. I welcome the fact that the Federation of Small Businesses has said today that the Budget is "a huge help for small firms",

which have been heard loud and clear.

After a decade of austerity and under-investment, Labour's Budget will give a new lease of life to our struggling public services. We are investing a record £22 billion in our NHS. As somebody who cared for two disabled parents when I was growing up, I know

that waiting lists kill. Waiting lists have got longer, and more people are dying because of that. With this Labour Government, there is an investment in protecting people's lives and people's quality of life, which we should never ever forget.

We are also providing £2.3 billion of extra investment in our core schools budget and £6.7 billion to rebuild crumbling schools in all of our communities. It is particularly important to me that we are investing an additional £1 billion to start to fix the special educational needs and disabilities system. It is a good start, with more to come. These are just a few of the measures that Labour is taking to boost the economy nationally and locally, and to improve people's lives.

Labour is making different choices from the Conservatives, and as somebody who grew up, in mouldy and damp council housing, caring for disabled parents who knew the value of a Labour Government, I am so pleased that people across Bournemouth East and across Britain will once again know the value of a Labour Government after 14 years of Tory chaos and Conservative austerity.

I am particularly pleased that those claiming carer's allowance will see the earnings limit increase, which means that people claiming the allowance can earn over £10,000 a year while continuing to be eligible. That is such an important step for carers, who give so much to their families, their loved ones, and our communities. I commend all that they do in my constituency and across the country—this Government has got your back.

We are investing billions in our public services to ensure that children have access to breakfast at school, that our roads are fixed, and potholes filled. That is all happening because of balanced, careful choices by our Chancellor of the Exchequer to fund the changes that people voted for at the general election. Earlier today somebody was talking about hope. I feel hopeful for the first time in a very long time, and when I go knocking on doors in Bournemouth East on Saturday and Sunday, I am 100% confident that people will feel hopeful too.

6.25 pm

Sam Carling (North West Cambridgeshire) (Lab): I thank my right hon. Friend the Chancellor for delivering this Budget, which shows the difference that a Labour Government make. It shows a Government who are willing to invest in our country and deliver support for those who need it. That investment will not be built on tax rises for working people. It will be focused on those with the broadest shoulders who can afford to contribute more. Conservative Members have criticised capital gains tax increases, but less than 1% of people pay capital gains tax. They have criticised the increase to employers' national insurance payments, claiming that it would damage small businesses, but we have just heard from my hon. Friend the Member for Bournemouth East (Tom Hayes) that the Federation of Small Businesses has welcomed the Budget, due to the support for small businesses that we are bringing in with that allowance increasing.

The Budget will fix the foundations of our economy to focus on what matters most: higher living standards and better public services. Those are the things that make a real difference to people's lives. There are currently five Conservative Members in the Chamber, and I wonder

[Sam Carling]

why the others are not here. What is it that they do not want to discuss and hear about? Is it perhaps the Government's decision finally to set aside funding to compensate the victims of the infected blood scandal, and the sub-postmasters who were so badly affected by one of the worst miscarriages of justice in our history? Apologies without action, as we saw from the last Government, are not enough, and victims have had to wait for too long.

I welcome measures such as the industrial strategy, with more than £20 billion of funding for research and development in growth industries of the future, investment in infrastructure, and in broadband, which will make a real difference to my constituents in North West Cambridgeshire. The cut to duty on draft alcohol will be a welcome boost to local pubs in my constituency—I was delighted to see that after I raised with Ministers the need to support pubs in questions yesterday.

Everyone has the right to a safe, comfortable, affordable home, and the housing measures in the Budget will help make that a reality for more people. Social housing was left to rot by the last Government, who ended their time in office with nearly 1.3 million households on waiting lists and, devastatingly, 150,000 children in temporary accommodation. The Budget includes an immediate injection of £500 million extra capital into the affordable homes programme for next year, supporting thousands of new social and affordable homes. That takes overall investment in the housing supply for next year to over £5 billion.

Reforms to the right to buy will make the scheme more sustainable, supporting long-standing tenants buying their own homes, but crucially making sure that councils can replace those homes—for which many have been calling for so long. Newly announced housing projects across the country will allow for the delivery of more than 30,000 homes. This Government are delivering the biggest increase in social and affordable housing in a generation.

I am delighted that education is finally getting the support it needs. Last year we saw school buildings literally crumble, as the extent of the reinforced autoclaved aerated concrete scandal became clear. The £1.4 billion rebuilding programme we have announced will be welcomed by schools in my constituency and throughout the country. It is also hugely positive to see an extra £30 million for breakfast club funding, which will make sure that every child starts the day fed and ready to learn. I know how valuable that will be to my constituents.

One of the biggest problems over the past few years has been the ever-increasing cost of living. Measures such as the 6.7% increase to the national living wage, the extension of the household support fund, the preservation of the triple lock on pensions, and the increase to the carers' allowance weekly earnings limit will do so much to ease pressure on those that have been feeling it for too long. The huge boost to childcare will see new and expanded nurseries across the country, easing the pressure on parents, including so many in North West Cambridgeshire who rely heavily on those services.

I also welcome the £44 million for kinship and foster carers, as part of a trial. It is a subject close to my heart and to those of my Labour colleagues on Peterborough city council. Kinship carers are family or friends who

step in to help support a child when its parents cannot, and they do a tremendous and critical job that too often goes unnoticed. I am pleased to see the Labour Government recognising their contribution, and the greater role that kinship carers can play in our society with the right level of support.

This Budget also demonstrates our concrete commitment to the NHS. We are all far too aware of the fragile state of our national health service after 14 years of neglect under the Conservatives. The inability to see a doctor or find a dentist comes up time and time again when I talk to my constituents, and I know that picture is replicated around the country. We are ending that, with much-needed resource for equipment and buildings that will set the foundations for clearing the backlog. It was Labour that created the NHS and it is this Labour Government who will transform it into a service fit for the British people. I am proud of Labour's first Budget in 14 years. It is a strong step forward in the journey towards national renewal, and it shows our Labour Government's drive to deliver for everyone across our country.

Madam Deputy Speaker (Judith Cummins): I am now imposing a four-minute time limit with immediate effect.

6.30 pm

Rachel Blake (Cities of London and Westminster) (Lab/Co-op): I am proud to speak at the first Budget by a Labour Government in 14 years, and the first delivered by a woman Chancellor. What better symbol is there of the hollow outrage of the Conservatives than their completely empty Benches now. I am disappointed, however, that the hon. Member for Mid Norfolk (George Freeman) is not here, because his contributions were thoughtful, and I learned quite a bit from them.

We have heard how this Budget will fix the foundations of this country, and as someone who has worked in housing all my life, I know a thing or two about what good foundations look like. Earlier today, I asked the Prime Minister about our plans to end homelessness, and he reiterated our strong determination to put an end to homelessness. I am glad to follow the remarks of my hon. Friend the Member for North West Cambridgeshire (Sam Carling).

This Budget gets us closer to delivering the 1.5 million homes we need in the next five years to tackle the housing crisis that is so damaging in my constituency. It will avoid the failures of the last Government by ensuring that those homes are delivered alongside the infrastructure that communities need to thrive. We have all heard the stories of homes built with no public transport, no school places and no GP surgeries. The Conservatives delivered only one third of the £4.2 billion they pledged in the housing infrastructure fund. They drained local authorities of capacity, so developer contributions for local infrastructure have gone unspent. They failed to provide any stability to social housing, leaving a black hole in housing revenue accounts. In London alone, that black hole reaches £170 million. That is a direct consequence of 14 years of Tory austerity, a botched Brexit deal and Liz Truss's disastrous mini-Budget, which sent interest rates skyrocketing, the pound plunging and building costs through the roof.

Thanks to this Budget, this Government are back to directly delivering public transport, water and hospitals, alongside the 1.5 million new homes we so desperately

need. This Budget chooses a five-year settlement for the social rented sector, giving registered providers the confidence they need to invest in their stock. While Labour councils have been building social housing up and down the country, the last Tory Government pulled the rug out from under them by turbocharging right to buy. As the number of households in temporary accommodation continues to rise, the Tories oversaw a net loss of 6,500 sorely needed council homes.

The reforms that our Chancellor has announced today will set discounts back to a reasonable level, put sensible time limits on residence and introduce much-needed protections for new-build council homes. With right-to-buy receipts going straight back to councils, where they belong—a matter close to my heart—we will give local authorities the security and stability they need to plan for the future and deliver a generational boost to social housing.

This Government were elected on a mandate to fix the foundations of our economy. This Budget is the first step to delivering that change, and I am proud to support it.

6.33 pm

Nesil Caliskan (Barking) (Lab): I begin by putting on record my congratulations to my right hon. Friend for being the first female Chancellor to stand at the Dispatch Box. It was a historic moment in the mother of all Parliaments. After 14 long years of low growth, low investment and failing public services, we are now turning the page. This Budget is about fixing the fundamentals of our economy, demonstrating responsible governance by sticking to tough fiscal rules and investing for the future. Those are all necessary to achieve sustainable economic growth. In the end, economic growth is what will improve people's living standards and life chances, and it will certainly benefit my constituents in Barking. Crucially, this Budget ensures that working people in my constituency are protected as we stabilise, fix and grow the economy.

On tax, let me just say this. If Opposition Members do not want to borrow to invest and do not want to tax business, they should tell us what in the Budget they would cut. They are simply out of touch. They moaned and groaned earlier, but the people in my constituency and the country as a whole will not forget that when the Conservatives were in power, they caused inflation to hit the roof and interest rates rose. Almost 12,000 people in my constituency saw their mortgage rise by over £3,000, and rents have soared. Wage stagnation has cost working people £11,000 on average. As for tax increases, it was the Conservative Government who increased taxes on working people and left the £22 billion funding gap. We on the Labour Benches will take no lectures from those on the Conservative Benches who supported the chaos of a Liz Truss Budget that crashed this economy, yet they have the audacity to stand up with zero humility after their Government left this country in a worse state than they found it.

Politics is full of choices, and the Conservatives played their politics in this place at the expense of British people. In contrast, today's Labour Budget will make my constituents in Barking better off. The pay increase for public sector workers and the increase in the national living wage will put money in the pockets of working people.

Those increases in people being paid a decent wage are vehemently opposed by those on the Conservative Benches, with such disdain it is unbelievable.

We know that the damage of the last Government cannot be undone with one Budget and that the Chancellor has to set tight fiscal rules, but we will rescue both the economy and public services. We must also invest for the future, and I particularly welcome the Chancellor's steps today to unlock more investment for our public services. Much of it is capital spend, which is really an investment for people—additional money for schools and local authorities. This country has to invest or it will decline. That is what this Labour Budget delivers, and I am deeply proud to support it.

6.37 pm

Adam Jogee (Newcastle-under-Lyme) (Lab): It is a pleasure to speak in this debate on the first Labour Budget in 15 years. It has been a long and painful 14 years for my constituents. Families in my constituency have been struggling to make ends meet, and our services bore the brunt of a Government who did not value their work, slashed their funding, and created life-destroying waiting lists and response times. We heard a lot from the Conservative party today, but the one word we did not hear was "sorry". I remain proud to have stood on a manifesto that committed to deliver the change working people need, and that is what we are doing today.

We owe a huge debt of gratitude to the mineworkers who powered our nation. For former coalmining communities such as mine in Newcastle-under-Lyme, the Chancellor's fulfilment of our manifesto promise on the mineworkers' pension scheme is so important. It gives the mineworkers the justice they deserve, and I know that the 838 former miners in Newcastle-under-Lyme will be grateful for it.

In recent years, I have made it a priority to visit local schools, and since the election I have comforted desperate carers and parents and made regular pleas to the Education Secretary, the Department for Education and Tory-led Staffordshire county council for action on the special educational needs and disability crisis in my constituency. I am very grateful to the Chancellor for listening to many of us across the House, acknowledging the crisis and committing a £1 billion uplift in funding for SEND provision. It is progress. There is more to do, but that is the difference that Labour in government makes.

I welcome the minimum wage increase. The minimum wage was introduced by the last Labour Government—opposed by the Conservatives at the time—and the new Labour Government have increased it for everyone of working age. That will help support people with the cost of living legacy left by the previous Government. It will help lift children out of poverty and put more money into our local communities.

The people of Newcastle-under-Lyme deserve a Government who take the tough economic decisions, not duck them, and who do not pull funding from our public services or destroy the hopes of future generations. They deserve a Government who have their best interests at heart, who will invest in our children and their futures and who will create wealth and equal opportunities for all. This Budget is the start of a new chapter for my constituents: an ambitious economic plan that invests in our people and communities, and turns the page on the failed Conservative policies of the past.

[Adam Jogee]

I echo the comments made by my hon. Friend the Member for Gower (Tonia Antoniazzi) about the importance of supporting our farmers. On support with the cost of living crisis, we have seen an increase in the carer's allowance, an above-inflation rise in the state pension, frozen fuel duty, an increase in local transport funding and the cutting of draught beer duty. We have ended the Tory fiscal drag, and we have scrapped the non-dom status that some people not too far from this House enjoyed.

Delivering on our promises to the country, this Labour Government will always be on the side of working people. I am proud to back my right hon. Friend the Chancellor in delivering on our pledge not to increase national insurance, income tax or VAT. All those who came to campaign with me in the election, will recall that our roads in north Staffordshire are shocking, not least thanks to the Conservative-led Staffordshire county council—my hon. Friend the Member for Warwick and Leamington (Matt Western) was there. I very much welcome the £500 million allocated to fix our potholes.

This is a Budget that delivers for working people, young people, local communities, public services and the good people of Newcastle-under-Lyme. I look forward to working with the Chancellor and my colleagues on the Government Benches to deliver the real change that my constituents voted for on 4 July.

6.41 pm

Andrew Lewin (Welwyn Hatfield) (Lab): It is an honour to have the opportunity to speak on a historic day for this House, with the first Budget speech ever delivered by a woman, the first of this Labour Government and the first in 14 years that is serious about investing in our country, our people and our public services.

There is no escaping the inheritance that this Government were left by the Conservative party: austerity, the botched Brexit deal and Trussonomics. In five years our country was presented with six different Conservative Chancellors, with no clear or consistent strategy for our economy. The question for a Budget should be how we deliver the right fiscal strategy for the country. I am afraid that, under the Conservative party, it became a question of how to deliver a Budget in order to get through the next month without another leadership contest. That was no way to run an economy or a country. Business confidence was sapped, the cost of living spiralled and, as we heard from our Chancellor, the Conservatives made a conscious decision to cut investment in our future. Today, we heard from a Labour Chancellor who does not pretend that the choices that confront us are easy, but who has set out a clear plan for how our economy can grow and living standards can rise.

We will prosper as a country only if our society is in good health, and if we choose to invest in places and people. This is a Budget that invests in the country and in my community in Welwyn Hatfield. In my local NHS trust, 1,700 people have been waiting longer than a year to start treatment in our health service. We cannot fix the economy without getting people back to health, and to do that we need both investment and reform. That is why the £22.6 billion in extra investment announced for the NHS is so significant. Excluding the covid emergency, it is the single biggest investment since 2010. But we

have to embrace new technology as well, and I know that is a priority for our Government. We cannot fix the NHS without supporting our staff, and the 5.5% pay rises announced in the first few weeks of this Labour Government are landing in people's payslips this week. Key workers who endured so much during covid are finally being rewarded with a fair pay deal.

Since the summer, I have visited a different school in Welwyn Hatfield every week. On each and every visit, I have been blown away by the dedication of the staff and the abilities of the children, but too many have not been getting the support from the state that they deserve. That is why I was so glad to hear today the £1 billion of extra investment in SEND. I will be thinking of children studying at Lakeside school in Welwyn Garden City and Southfield school in Hatfield, who so desperately need that extra support.

When the Conservatives took office in 2010, they slashed funding for social housing. The results have been as devastating as they were predictable: a deepening housing crisis playing out in communities across the country. On their watch, Welwyn Hatfield has been losing council homes every year. We have to turn the corner and this Budget does that. The immediate £500 million injection into the affordable homes programme sends a clear message: Labour will invest in building social and council homes again.

The rebuilding of our country and my community starts with this Government and this Budget. It is a Budget for schools, a Budget for housing, a Budget for our NHS, and a Budget that I am so proud to support.

6.45 pm

Mark Ferguson (Gateshead Central and Whickham) (Lab): I wish first to refer the House to my entry in the Register of Members' Financial Interests. Madam Deputy Speaker, I am one of those terrible trade unionists you have been hearing about from those on the Opposition Benches. It is a shame so few of them are here; clearly, this is a contractual obligation attendance at the debate. I genuinely suggest that they should look at getting a trade union rep.

Many Members who have spoken in this debate are trained economists—my hon. Friends the Members for Swansea West (Torsten Bell) and for Hendon (David Pinto-Duschinsky) being two of the most recent. I have been called many things in my life but never an economist, so I want to focus on what the Budget will mean for people where I am from, in Gateshead. I am particularly pleased that we will not be returning to austerity, because austerity ripped through Gateshead and the scars will remain for a long time. Today was about rebuilding the foundations of communities like mine for a better future. Let us recap on what some of that means.

As my hon. Friend the Member for Welwyn Hatfield (Andrew Lewin) said, the investment in the NHS is the biggest outside of covid since 2010—£25.6 billion. That will get waiting lists down—promise made, promise delivered. There is investment in high streets, transport and homes that will change my community for the better—promise made, promise delivered. There is a higher minimum wage, up nearly 7%, and closing the gap faced by younger workers. For some that will mean up to £1,400 a year, which is a life-changing amount of

money—promise made, promise kept. Injustice is being tackled in a promise made to those who suffered from the Post Office scandal and a promise made to those affected by infected blood—promises that have previously been made by all parties, but a promise made by this party and a promise kept in government. There is £1 billion for the household support fund, targeting those who need help most—a promise made, a promise kept—and promises have been made to those who rely on our schools, too.

In particular, I want to mention our colleges: £300 million into further education is a huge and hugely welcome change for colleges such as Gateshead college in my constituency. On SEND, all of us on the Labour Benches promised that if we were elected into government we would act to help those with special educational needs. We have done that today, with a £1 billion investment—promise made, promise kept. There was also a promise made not to raise the taxes of working people in their payslips—a promise made and a promise kept.

There were also some underrated changes in the Budget that I would like to refer to in the time remaining. Universal credit changes reducing the gap in deductions will keep more people out of poverty, more people out of food poverty and, yes, more children out of poverty—as will breakfast clubs, because no child should go to school hungry and under Labour none will.

The people of Gateshead Central and Whickham who sent me here should take heart from today. The road to changing our country is a long one. We take the first steps together. We should take heart, because real change and positive change is coming.

6.49 pm

Sarah Owen (Luton North) (Lab): It is an honour to follow my hon. Friend the Member for Gateshead Central and Whickham (Mark Ferguson). He has dedicated his entire life to working people and defending their rights, and it is no different when he is sitting on these Benches.

After today, let no one pigeonhole women in politics or put limits on our ability not only to achieve the highest positions but to deliver, as the Chancellor has today. I hope that in future this will be the norm, and that my daughter will shrug her shoulders and say “Woman Chancellor? So what, mum—that’s normal”, but until that day comes, let us go on celebrating the exceptions that smash through glass ceiling after glass ceiling and, importantly, pass the ladder down. That is the Labour way, as has been demonstrated by this first Labour Budget in 14 long years.

This is a Budget with a positive focus on health, wages and schools, but there are also some very tough decisions. We expected that. No one who has been paying attention to the state of the finances left by the past 14 years of Conservative government would have expected anything different. The Conservatives left a bin fire of waste and self-serving greed, all paid for with taxpayers’ money—not their money but that of the taxpayers, the people we represent. Billions of pounds were wasted on warped priorities that did not just put Tory party before country, but in some sorry cases filled the pockets of former Ministers’ mates before filling the empty stomachs of children being taught in crumbling schools. Anyone who needs proof of how little the Conservatives care about the mess they have left should

take a look at the empty Benches opposite me. Not a single Conservative Back Bencher is here. Working people, much?

It seems an age ago, but it was not, when the former Tory Government had to be shamed by campaigners such as the footballer Marcus Rashford into feeding hungry children during the school holidays. Children went hungry while the Tory Government wasted money on reckless experimental budgets and doomed Rwanda schemes. I am proud to say that because of this Labour Government, primary school children in Luton North—where nearly 50% of children grow up below the poverty line—will get a breakfast, so that they, and every child across the country, can start the school day with an appetite only for learning, and not for food.

Free breakfast clubs for children of primary school age will transform many young lives, and also the lives of working parents scrambling for the precious extra minutes of free childcare. There is also £1 billion extra for children with special educational needs. Everyone, of every political stripe, will and should welcome that much-needed investment. Every child given the start in life that they need to succeed: that is the power of a Labour Government, and this is the power of a Labour Budget. But should we really be celebrating stopping children going hungry? Should we have had to fight to show that that was the wrong political choice? Of course not. However, it is not by accident that people in constituencies such as like mine were inflicted by so much financial pain, from stagnating wages to non-existent industrial strategies to local authority cuts—in Luton, to the tune of nearly £190 million.

What a difference a Budget like ours shows: long-term strategies for investment and growth, and no return to the austerity that crippled communities such as mine. Thanks to the rising national minimum wage, 3,300 people in Luton North will be better off. There is £22 billion for the NHS, including £70 million for radiotherapy machines. That will improve poor health outcomes in our region, and will allow staff working at Luton and Dunstable University hospital to help patients more quickly. There is £5 billion of investment in housing, in addition to 33,000 new homes. These programmes will help people in Luton: they will help the more than 8,000 people on waiting lists for council housing.

People have suffered enough, and that is why they voted for change. Delivering these changes will take time, but for once they are not false promises. We know that no Budget can give everyone what they need overnight, but seeing today that this Government are intent on delivering for the people I serve in Luton North gives me not just relief, but genuine hope for our town’s future.

6.53 pm

Oliver Ryan (Burnley) (Lab/Co-op): I congratulate my right hon. Friend the Chancellor on a tremendous Budget despite a remarkably difficult inheritance. We have kept our promises: change is here, and it cannot come soon enough. Today’s Budget set out firmly the foundations of sustainable economic growth that will benefit towns, cities and villages across our nation. The Chancellor’s proposals laid down the central groundwork for addressing inequality, investing in our areas and the NHS, and tackling the housing crisis, full-throatedly

[*Oliver Ryan*]

supporting growth. These are critical steps towards a prosperous Britain, including Burnley, Padiham and Brierfield—a goal that we can all get behind.

Investment in our education system is critical for our future. Indeed, I am hugely proud that my right hon. Friend the Chancellor is prioritising education in this Budget. There is more money for teachers, support staff and breakfast clubs, £300 million for further education, and a further £1 billion for special educational needs—a critical injection of cash, and an investment in our future.

I am glad to see that this Budget is centred on real priorities: supporting working people, fixing the NHS and rebuilding our country. We are paying down the overdraft that the Conservatives built up. I still find it the height of irresponsibility that they spent the country's emergency reserves three times over on what was essentially electioneering, and now they have the brass neck to lecture us about financial responsibility—when they turn up, that is. They did not fund the bus cap or the new hospital programme, and they did not disclose their shenanigans to the OBR. They did not fund our prisons and, disgracefully, they did not fund the compensation schemes for infected-blood victims and the sub-postmasters. They did not even fund day-to-day spending; they left us with a £126 billion in-year debt interest payment, just to stand still. It was short-termist and unsustainable.

I am glad to hear that my right hon. Friend the Chancellor will not only cut the deficit, but bring us into surplus in just a few years' time. During the election, the Conservatives made promises that they had no intention of keeping. By making promises and failing to fund them, they were playing politics with people's lives and services, which could only end with the grotesque chaos of a Prime Minister stood in Downing Street in the rain and calling an election that he hoped he would not win. Otherwise, people would have asked him to deliver on what he said he was going to do. He ran around signing cheques, knowing they would bounce.

For too long, working people have borne the weight of failed policies, from Liz Truss's rising mortgage rates to billions of pounds lost to inefficient projects. Labour's plan provides a clear choice: continued stagnation, or real change with Labour. I congratulate the Chancellor on the massive £22.6 billion increase for NHS day-to-day spending—the largest increase in capital spending that we have seen since 2010. Labour is back, and the NHS and my residents are happier for it.

Labour understands that revitalising Britain requires sustained investment in schools, hospitals, industries and infrastructure. Burnley exemplifies the transformative power of such investments. As part of the north-west industrial cluster, companies such as Safran Nacelles, AMS Neave and BCW Manufacturing contribute billions of pounds to the UK economy, provide thousands of jobs and export to over 100 countries worldwide. Supporting these local industries is essential for building a strong, resilient Britain.

It is clear that this Budget is about the future, not the past, but I want to put on record my disdain for the levelling-up, "Hunger Games" agenda of the last Administration. The last Labour Government rebuilt Burnley town centre, built St Peter's Centre, built Burnley

college, rebuilt every school in Burnley, Padiham and Brierfield, brought the University of Central Lancashire to Burnley in order to make us a university town, and invested in our town centres, particularly in the public realm. Contrast that with 14 years of being ignored since 2010, apart from the large, game show-style levelling-up cheques that contributed only to a roundabout and a cinema. I am glad to hear of all the commitments that the Chancellor has made today, particularly on levelling up, and I am glad that we will now get a long-term plan for the towns fund.

Ordered, That the debate be now adjourned.—(Vicky Foxcroft.)

Debate to be resumed tomorrow.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

RETAINED EU LAW REFORM

That the draft Vehicle Drivers (Certificates of Professional Competence) (Amendment) Regulations 2024, which were laid before this House on 16 May 2024, in the last Parliament, be approved.—(*Vicky Foxcroft.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CLIMATE CHANGE

That the draft Vehicle Emissions Trading Schemes (Amendment) Order 2024, which was laid before this House on 9 September, be approved.—(*Vicky Foxcroft.*)

Question agreed to.

PETITION

Bradford District parking charges

6.58 pm

Robbie Moore (Keighley and Ilkley) (Con): Across the Bradford district, we are now hearing worrying stories of small businesses losing nearly half their footfall due to the extortionate new parking charges being introduced by leaders on Bradford Council, as well as of residents in my constituency of Keighley and Ilkley being forced to pay to park outside their own homes. I certainly will not stay silent on this issue while hard-working people pay the price.

The petition states:

The petition of residents of the Bradford District,

Declares that the proposed increase in car parking charges across the Bradford District and the introduction of new charges for residents' parking permits will place an unfair financial burden on residents and workers; notes concern that individuals are now being required by Bradford Council to pay to park outside their own homes; and further declares that new charges will adversely affect small businesses and retail outlets.

The petitioners therefore request that the House of Commons urges the Government to encourage Bradford Council to reverse the proposed increases to car parking charges, and the new parking permit charges, across Keighley and Ilkley.

And the petitioners remain, etc.

[P003018]

Western Sahara

Motion made, and Question proposed, That this House do now adjourn.—(*Vicky Foxcroft.*)

7 pm

Dr Andrew Murrison (South West Wiltshire) (Con): I am grateful for this opportunity to raise the issue of the Government's attitude to Western Sahara. For transparency, I am as of this morning co-chair of the all-party parliamentary group on Morocco, a distinction I share with the hon. Member for Leeds North East (Fabian Hamilton). I have also enjoyed the kind hospitality of the Moroccan ambassador and the Moroccan Government, which has been duly registered where appropriate. I have a significant Moroccan community in my constituency, of which I am very proud. I am a former trade envoy to Morocco. I am also an ardent admirer of all things Moroccan and have done everything I can in my time here to bring the two kingdoms closer together.

The UK's outlier position on the status of Morocco's possession of Western Sahara is the sheet anchor in the UK-Moroccan relationship. That relationship goes back to the 13th century. History matters, particularly in an ancient country such as Morocco. Possession of Western Sahara long predates colonisation by France and Spain and is for Moroccans an existential issue. Any UK Government that seek to partner with Morocco to make the UK more secure in every sense and to grow the economy just cannot afford to allow official inertia to obstruct progress and change. I fear that it is official intransigence that has meant that the UK now finds itself an outlier in international opinion on this matter—in the company, I regret to say, of feral states such as Russia and Iran.

Last month, in response to my written parliamentary question on the UK's position on Western Sahara, the Under-Secretary of State for Foreign, Commonwealth and Development Affairs, the hon. Member for Lincoln (Hamish Falconer), regurgitated the same response that Sir Humphrey drafted for me when I was doing his job:

“Successive UK governments have regarded the status of the Western Sahara as undetermined.”

If the UK position was inadequate when I was Minister for North Africa and the Middle East, recent developments have made it untenable and incompatible with the UK's national interest. I hope to persuade the Minister this evening to push back on the lines he is about to read out. In the national interest, and in the interest of our relationship with our good friend the Kingdom of Morocco, I want him to be more successful than I was in resisting the institutional torpor he will have experienced during his first few months in his rather lovely office in King Charles Street, which I miss very much indeed.

Jim Shannon (Strangford) (DUP): First, I commend the right hon. Gentleman for all he is doing in this debate tonight and for all he has done in the past. It is recognised by a great many people, and we thank him for it. Does he agree that the reason why the Foreign, Commonwealth and Development Office guidance advises against travel to areas such as Western Sahara underlines the help that the people who live there need? Does he also agree that, rather than simply warning against travel, the Government should focus on whether any steps can be taken to help the tens of thousands of people in refugee camps who have no hope at all for the future?

Dr Murrison: Yes, the hon. Gentleman is absolutely correct. Of course, the UK does that through the United Nations and the Tindouf camps, but he makes a good point about Foreign Office advice to people seeking to travel to Western Sahara. There is very real potential for Western Sahara to be a vacuum in which the ill-disposed can do what they will. We cannot allow that space to be ungoverned. We need to ensure that there is a jurisdiction there to bring order and ensure that the ill-inclined are not a threat to Morocco, Western Sahara, the wider region and, frankly, ourselves.

The anaemic UK official line has relied on two arguments for doing nothing: first, that recognising Moroccan sovereignty would, in some mysterious way, challenge our sovereignty over the remaining British overseas territories, and secondly, that supporting the Moroccan autonomy plan would upset Algeria, which has a strained relationship with Morocco and supports the Polisario Front's call for independence for Western Sahara.

There is no evidence that recognising Moroccan sovereignty over Western Sahara would compromise our wider regional equities in any significant way. We know this because peer nations that have been much more forward-leaning on Moroccan sovereignty have not suffered a backlash from a pragmatic Algiers. The only exception is France, but the Franco-Algerian relationship has been toxic before and since independence in 1962, so it in no way compares with our own relationship or with that of other countries seeking a positive future with both Algiers and Rabat.

I appreciate the Labour party's difficulty in relation to the Polisario Front. Under previous management, Labour supported the hard-left Polisario Front and would never have accepted the Moroccan autonomy plan, but the Prime Minister has invested much time and political capital in putting as much distance as possible between himself and his predecessor. He might therefore see this as an opportunity.

What would changing our line to match our peers do to the UK's case for holding on to its remaining overseas territories? The answer lies in the unforced surrender of the Chagos islands, which was a decision of infinitely greater consequence than what I propose would ever be.

In any event, Cambridge professor of international law Marc Weller, in his opinion of April 2024, is crystal clear:

“There are no points where endorsing the position of Morocco on which its autonomy proposal is based would in any sense distract from the UK position concerning title to the Falkland Islands.”

What about Argentina, whose mission to turn the Falkland Islands into the Malvinas has been refuelled by the Foreign Secretary's Chagos capitulation? Well, it has said:

“The Sahara is indubitably Moroccan.”

Much of South America also appears to support the autonomy plan or has recanted its previous support for Saharan independence.

Dr Zubir Ahmed (Glasgow South West) (Lab): Can the right hon. Gentleman adumbrate how the uninhabited Chagos islands are equivalent, in any way, shape or form, to the Falkland Islands?

Dr Murrison: I most certainly can. It is pretty plain to all who take an interest in these matters that the Argentine Government have their tail up as a result of the capitulation on the Chagos islands. If the hon. Gentleman doubts that the Argentine Government have had a shot in the arm, he should look up the Argentine Foreign Minister's comments on this subject.

Andy Slaughter (Hammersmith and Chiswick) (Lab): Coming back to Western Sahara, could the right hon. Gentleman explain why the UK Government, or anybody else, should agree to its so-called autonomy within the Moroccan state given Morocco's appalling human rights record in respect of the Sahrawi people in Western Sahara?

Dr Murrison: With respect, the hon. Gentleman is making the perfect the enemy of the good. Morocco stands as a beacon of solidity and decency in a very troubled region—[*Interruption.*] The hon. Gentleman shakes his head, but I am afraid he is incorrect. I want to see Morocco develop alongside its European partners, and I want it to continue improving its human rights record, just as I want every country around the globe to continue improving its human rights record. He who is without sin may cast the first stone.

We need to have a Western Sahara that makes sense and that is not a vacuum in which the ill-disposed can flourish. That is the basis of the only credible plan on the table, as acknowledged by France, the United States, Germany, the Netherlands and a great swathe of the middle east. All those countries seem to feel that this is the only way forward.

We have a choice, of course. We could do nothing and just let this issue rumble on for decades, and nothing would happen other than that the people in the Tindouf camps would continue to suffer, but I do not think that is right. I want something done about it, and the Moroccan autonomy plan is the only credible plan on the table.

Jeremy Corbyn (Islington North) (Ind): I congratulate the right hon. Member on securing the debate. He must be aware that there are a large number of Sahrawi people living in refugee camps in Algeria, and there have been for a very long time. He must also be aware that since the departure of the Spanish from Western Sahara, the Sahrawi people have never been given a vote on their future and have never been able to decide on decolonisation. He will also be aware that legal opinion is against Moroccan exploitation of the agricultural, mineral and fish resources of Western Sahara. Is it not time that we got in line with the African Union and others who want to see a peaceful approach to the future, which means giving the Sahrawi people the right to their own self-determination to their place in history? That, surely, is what the decolonisation process should be about.

Dr Murrison: The right hon. Gentleman knows full well that that would require some sort of referendum or vote. The difficulty has always been defining what the electorate would be. That is why we would be kicking the can down the road for decades and decades. It is an almost insurmountable issue. It seems to France, the United States, Germany, the Netherlands and others that the only practical solution is to get behind the only credible plan on the table, which is the Moroccan autonomy plan.

To put it bluntly, I worry that the FCDO has been rumbled. Its reluctance to follow our north Atlantic peer group in recognising Moroccan sovereignty and the autonomy plan has nothing to do with Algeria or the British Overseas Territories. It is simply the consequence of institutional torpor and a languid, left-liberal indifference to the advancement of our national interests, and it will not do.

Emmanuel Macron is in Morocco on a state visit. In a letter to His Majesty King Mohammed earlier this year, he said:

"The present and future of Western Sahara fall within the framework of Moroccan sovereignty."

He went on:

"France intends to act consistently with this position at both national and international level."

Yesterday, President Macron, addressing the Moroccan Parliament, repeated the new French position. The Moroccan press today is reporting that France will be opening a consulate and branch of the Institut Français in Laayoune. It has even identified the building in which it will be housed from next month. The Franco-Moroccan Chamber of Commerce and Industry is already established in Western Sahara. Where are we?

Some 30 countries, primarily African or Arab, already have consulates in Laayoune or Dakhla. France is our friend, but it is also our competition. Changing tack on Western Sahara has been the necessary precondition in taking its relationship with Morocco to the next level. It is hardly surprising that Macron has in his retinue the chief executive officers of 100 French companies.

While the 2019 Morocco-UK association agreement has undoubtedly facilitated bilateral trade, we are nowhere near realising its full potential. The massive Tanger Med port, in the lee of Gibraltar, has been a largely missed opportunity for the UK. Our current stance on Western Sahara now threatens opportunities in Dakhla Atlantic port. Our posture means we cannot, for example, use UK Export Finance in Western Sahara and British International Investment will not engage. If growth for this Government is genuinely beyond the rhetorical, it cannot miss opportunities like Dakhla.

If high-minded Foreign Office officials remain snuffy about grubby trade and commerce, they might be more willing to reflect on the strategic importance of a strong, stable ally at the nexus of the Atlantic and Mediterranean, and what tends to happen in ungoverned spaces, particularly where Russian and Iranian proxies are involved. Happily, the Ministry of Defence has been forging strong working-level relationships with Morocco's military, properly understanding the growing influence and leadership the country has been applying across the turbulent region in which it sits. The kingdom's long-standing tradition of tolerance, moderate religious teaching and Sufi influence makes it the foil of extremism and instability in the region and more widely.

The Foreign Office might also eventually wake up to the potential for Morocco to help the Government hit their elusive net zero target and to diversify the grid. On offer is a 4,000 km interconnector sending the power of the Sahara's reliable sun and wind to south-west England. This it would do through the Xlinks scheme to match in our time the great British engineering triumphs of Brunel and Telford. A country genuinely tooling itself up for growth needs to stop dragging its heels on shovel-ready schemes such as Xlinks.

Morocco, which is shrugging off the colonial yoke, is eager to forge new relationships with European countries with which it has no baggage. That should mean the UK. Morocco wants it to mean the UK, but too often we see the dead hand of British officialdom getting in the way.

Nobody can fail to be impressed by the development that Morocco has made possible in Western Sahara, lifting the condition of the people who live there. Nobody can fail to be impressed by the regional leadership that Rabat has provided in recent years. Nobody can be in any doubt that this ancient kingdom is a welcome bastion of stability, security and decency in Europe's penumbra, our voisinage.

Even Spain, Morocco's nearest European neighbour with which it has long-standing territorial issues, has a better line than the UK and, more significantly, one that has evolved in Morocco's favour from a position of neutrality. It is noteworthy that many of our peers have been on a journey, with language that has typically moved from the Moroccan autonomy plan being a solution, to it being the solution or even the only solution.

This year, Spain has reiterated the revised position that it adopted in April 2022. Thus the autonomy plan is

"the most serious, realistic and credible basis"

for the resolution of the Western Sahara question in its view. Germany has adopted similar language. Then we come to the US. The White House issued this proclamation in 2020:

"The United States affirms, as stated by previous Administrations, its support for Morocco's autonomy proposal as the only basis for a just and lasting solution to the dispute over the Western Sahara territory. Therefore, as of today, the United States recognises Moroccan sovereignty over the entire Western Sahara territory and reaffirms its support for Morocco's serious, credible and realistic autonomy proposal as the only basis for a just and lasting solution to the dispute over the Western Sahara territory. The United States believes that an independent Sahrawi state is not a realistic option for resolving the conflict and that genuine autonomy under Moroccan sovereignty is the only feasible solution. We urge the parties to engage in discussions without delay, using Morocco's autonomy plan as the only framework to negotiate a mutually acceptable solution."

So, what do I want? I want the UK to stop hiding under the UN's skirts and to adopt similar language on Western Sahara to our permanent UN Security Council friends, the US and France. If that is too radical for the Foreign Office, we could at least match Spain and Germany. I want the UK to match France toe to toe in establishing cultural and consular presence in Laayoune and Dakhla, facilitating British engagement with commercial opportunities in Western Sahara to our mutual benefit. I want Britain to rekindle one of our oldest diplomatic relationships—more than eight centuries old. What better way to advance plans for a Moroccan state visit to the UK. That is the next obvious step after the association agreement that we signed in Lancaster House. Why has it stalled?

Above all, I want the Foreign Office to wake up to a post-Brexit reality in which we sink or swim depending on our ability to pursue the national interest with pivotally located, like-minded jurisdictions with which we can do business—countries such as Morocco. Or,

if the Minister wants, he can swallow the line that he is about to rehearse and leave the fruits of a new era in bilateral relations to our closest continental neighbour.

Be in no doubt that, for Morocco, the UK's position on Western Sahara is the test of how we value our relationship. As others have evolved their position over time, the UK is out of line and out of date. We will make no further progress until we change it.

7.19 pm

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Hamish Falconer):

I am grateful to the right hon. Member for South West Wiltshire (Dr Murrison) for securing the debate, and for his service in the Foreign Office and as trade envoy, and for his many years of advocating for a closer relationship between the UK and Morocco, which is an important goal.

I regret that the drafting of my responses to the right hon. Member's parliamentary questions were described as "anaemic" and "regurgitation", and I will endeavour to provide a little more zest for him in future. I would, however, say in relation to Foreign Office officials, who got a rather extensive mention in the right hon. Member's remarks, that they are excellent, hard-working servants of this country, who serve without fear or favour. They advise; Ministers decide. The speech I am about to deliver has, of course, been prepared by the excellent officials of King Charles Street, but it is me and my ministerial colleagues who have decided it, so in future I would hope that the right hon. Member might direct his criticisms of the policy at me rather than my officials.

It is a timely moment to have this debate. The UN Security Council is set this week to adopt a resolution renewing the mandate of the peacekeeping mission in Western Sahara, MINURSO—United Nations mission for the referendum in Western Sahara—for another 12 months. I am also grateful for the contributions to this debate from other Members, many of whom have shown long-standing commitment to the issues. I will try to respond to their points as I go.

I do not need to tell this Chamber of the complexity of the issues. The UN has maintained, through MINURSO, a presence in Western Sahara since 1991. Successive personal envoys and special representatives to the UN Secretary-General have steered both the activities of MINURSO and a UN-led process aimed at achieving a resolution to the disputed territory. The UK strongly supports MINURSO's activities, and we welcome its ongoing de-mining and observer operations in Western Sahara. To that end, the UK has consistently supported UN Security Council resolutions concerning MINURSO, including most recently resolution 2703 in October 2023, which extended the mandate for 12 months.

The UK position remains to support the UN-led efforts to reach a just, lasting and mutually acceptable political solution that will provide for the self-determination of the people of Western Sahara. This is in line with the position taken by successive UK Governments and UN Security Council resolutions. A solution agreed by all parties would contribute significantly to regional security and prosperity, and have the potential to unlock wide economic possibilities and benefits for those communities directly affected by this long-standing dispute—and of course for the UK, as the right hon.

[*Hamish Falconer*]

Member alluded to. It is for the parties to agree resolution, but the UN needs our support in its efforts to find a pragmatic solution. This is why we encourage others to support the UN-led process, and I thank successive British ambassadors and officials who work in the region for their contributions to this effort.

The UK's position is in line with our status as a permanent member of the UN Security Council, and a key contributor to other UN peacekeeping missions. This position also reflects our core national interests, and it is based on our political judgment of how best to protect them. The right hon. Member referred to a paper by a notable legal scholar, but he will understand that it is for Ministers of this Government to make a judgment about how to protect our core national interests and which political judgments lay behind them. We believe it is important that we support the principle of self-determination, which gives people the right to decide their own future, as enshrined in the UN Security Council resolutions on Western Sahara.

Andy Slaughter: I thank the Minister for reaffirming his commitment to self-determination, and for not going down the road of partition nor indeed of incorporation within the Moroccan state, as the right hon. Member for South West Wiltshire (Dr Murrison) seems to want. The Minister could go one stage further and follow the EU example, which would be the case were we still within the EU, and say that the provision of resources and trade with Western Sahara should only be undertaken if it is to the benefit of the indigenous people there, rather than to the benefit of the Kingdom of Morocco.

Hamish Falconer: We are studying the legal judgment to which my hon. Friend refers closely. Our position has not been to oppose economic activity in Western Sahara, but that it must benefit the Sahrawi people. We will continue to engage with our international partners, as the House would expect, including the European Union, our fellow Security Council members, regional stakeholders and indeed the UN itself in support of its efforts.

Jeremy Corbyn: In the Minister's engagement with other European countries and other members of the United Nations, I hope that he will have respect for international legal opinion concerning the exploitation of minerals, agricultural products and fisheries from Western Sahara, and the plight of the Sahrawi people,

many of whom have been in refugee camps for almost 30 years and deserve the right to decide their own future in their own country.

Hamish Falconer: The right hon. Member is right to refer to the humanitarian situation facing the Sahrawi refugees. I think other Members referred to the camps in the Tindouf wilayah. We consistently support both UN Security Council resolutions that highlight the Sahrawi people face, and we contribute through the UN to support the refugee camps. My officials last visited those camps in November 2023.

I was pleased last month to meet Staffan de Mistura, the UN Secretary-General's personal envoy for Western Sahara, and our meeting was an opportunity to discuss both his mandate and that of MINURSO. I was able to reiterate the UK's full support for the UN-led process. The situation in the Tindouf refugee camps, to which the right hon. Member just referred, remains challenging, and we are working with various UN agencies and bodies to provide vital humanitarian support. The circumstances have been made more dire by recent heavy flooding in the region, as colleagues will be aware. The situation remains of great concern to the UK, and we continue to closely monitor developments, including through visits by Foreign Office officials.

Members have referred to the Moroccan autonomy plan, which was first announced in 2007. We have chosen not to comment publicly on the plan, which is not a judgment on its merits or otherwise. However, I assure the House that the UK would warmly welcome any solution to the dispute that is able to secure the support of all parties. While we enjoy constructive dialogue with our partners on a wide range of issues, including Western Sahara, I say to the right hon. Member for South West Wiltshire that their foreign policy decisions are ultimately for them to make, in their own individual assessments and interests, as ours are for us.

The UK strongly believes that the UN is the best way to solve this long-standing dispute by delivering a solution that is agreeable to all parties. We will continue to give the UN Secretary-General's personal envoy our support, encourage constructive engagement with the political process, and monitor progress. That remains the best way to deliver a sustainable, just, secure and prosperous future for the people of Western Sahara and the wider region.

Question put and agreed to.

7.28 pm

House adjourned.

Westminster Hall

Wednesday 30 October 2024

[DEREK TWIGG *in the Chair*]

Children's Hospices: Funding

9.30 am

Ian Byrne (Liverpool West Derby) (Ind): I beg to move,

That this House has considered funding for children's hospices.

It is a pleasure, as always, to serve under your chairship, Mr Twigg.

"To me and my family, Zoe's Place represents one word... family... They gave my confidence to give my angel 10 years of a fantastic life and provided the most outstanding care when she passed away last year."

Those are the words of Abbi, mother of Evie-Kate, who relied on Zoe's Place, a children's hospice in my constituency. Abbi said:

"Without Zoe's Place and the support, friends, families and being able to go visit my baby girl's plaque on her final day... I would be a broken woman."

Another parent, Jennifer, mother of Theo, said Zoe's Place means that

"Theo gets the love and care that he has at home, they have been amazing, I can't put into words how much we will miss the girls... The pure joy in Theo's face as we pull up and see the Teddy bear. So yes, to us Zoe's Place is our family... Zoe's Place has been a massive support and a lifeline, without Zoe's Place we wouldn't have got Theo home from Alder Hey after being there for 12 months."

Those parents are far from alone in finding Zoe's Place to be an absolute lifeline. If I had more time, I would love to tell hon. Members about countless other families and children supported by Zoe's Place. But I applied for this debate because earlier this month, we received the shocking news that Zoe's Place was going to close. Jennifer spoke of her "devastation" on hearing the news, and Abbi said:

"Please don't take this amazing place away."

Zoe's Place opened in my constituency in 1995 and has supported thousands of children and their family members over the years, providing respite and palliative and end of life care for babies and children up to the age of five. It is one of two wonderful children's hospices that my constituency is home to and which I am so proud of. The other is Claire House, another place of love and warmth, with the most wonderful staff, who do so much good when families are facing such heartbreak. I see that at first hand when I volunteer at that wonderful place, and I find speaking to the families so enlightening. The absolutely life-changing service offered and given by those places is why we could not accept the news, when it was announced three weeks ago, that spiralling costs meant there was not enough money to build a planned new home for Zoe's Place.

Matthew Patrick (Wirral West) (Lab): I congratulate the hon. Member on securing a debate on such an important issue. He mentions Claire House, which also has a site in my constituency. Claire House is an essential part of our health and social care system, and on my visit there, I could see the clear passion and pride that

people have in that service and the important work it does for my constituents. With integrated care board funding for children's hospices varying so significantly across England, does he agree that more must be done to ensure that every seriously ill child and their family, regardless of where they live, have equitable access to palliative care?

Ian Byrne: I thank the hon. Member for that wonderful intervention; I wholeheartedly agree about what Claire House does and with his asks.

Three weeks ago, it was announced that spiralling costs meant that there was not enough money to build a planned new home for Zoe's Place and that the baby hospice would close for good at the end of the year. It was therefore with real trepidation that we met the trustees on the Thursday after the announcement. We entered Zoe's Place with the staff—many had been there for decades—feeling devastated after being issued with the consultation period ahead of the planned closure. At the meeting, we were desperate to find a future for Zoe's Place. The trustees and the staff present outlined what we needed to do: raise £5 million in 30 days and then Zoe's Place could have a future.

Kim Johnson (Liverpool Riverside) (Lab): I thank my good friend for giving way and I congratulate him on securing this important debate. Will he join me in congratulating the wonderful community of Liverpool on its amazing work to secure nearly £5 million for Zoe's Place? However, does he agree that instead of relying on charitable trusts to support these important hospices, we need to think about how we put them on a statutory footing to provide better end of life care for everybody?

Ian Byrne: I thank my hon. Friend for her excellent intervention; I wholeheartedly agree.

We had to raise £5 million in 30 days to give Zoe's Place a future, so I asked the trustees to let us give it a shot, harnessing the spirit of the city, which has been galvanised since people heard the news, and the love for this wonderful institution. We put the call out in Liverpool, and I have never seen a response like it in my life. It has been my great city at its very best, for the world to see. We have had kids going door-knocking with fundraising buckets, raising money because one of their friends is being supported by the hospice; parents who turned to Zoe's Place in times of need organising fundraising walks and sponsored motorbike rides; and support from MPs, such as my right hon. Friend the Member for Hayes and Harlington (John McDonnell) promising to carry on playing his unique take on "You'll Never Walk Alone" on his trombone if we did not raise the funds—the city has spoken, John, and I'm saying no more. Cafés have pledged their takings to the campaign, running raffles to raise money, and local businesses have got involved, donating tens of thousands of pounds, and their time and expertise, which will never be forgotten.

Richard Burgon (Leeds East) (Ind): Will my hon. Friend accept from me the congratulations of the people of Leeds, who value Martin House Children's Hospice in Wetherby so highly? Many people in Leeds will look to Liverpool with great admiration at the incredible fundraising efforts, which have impressed and inspired

[Richard Burgon]

so many. They have also led people to conclude that we cannot allow places such as Zoe's Place to go to the wall, and that guaranteed full funding for palliative care and children's hospices is a must.

Ian Byrne: I thank my hon. Friend for that excellent intervention, with which I wholeheartedly agree. Former football stars from Liverpool joined the efforts, donating more than £150,000. The local paper, the *Liverpool Echo*, and its staff led by Liam Thorp, have thrown their weight behind the campaign, doing everything they could to save the hospice. On Monday, we had the incredible news that Liverpool-based company Home Bargains was pledging £2.5 million to the campaign, bringing us within touching distance of the total.

The tireless and wonderful work of so many has been invaluable over the past few weeks. There are so many to thank, if I had the time, but I must pay tribute to the wonderful comic, Adam Rowe and fellow funnyman, Willie Miller, who have done so much to raise this issue both publicly and behind the scenes, and John Gibbons from "The Anfield Wrap" for his tireless efforts over the past few weeks.

There are still 10 days to go, and we are not over the line yet, but we are proving that if any city can do it, Liverpool can. The community, the solidarity, the togetherness—I have never been prouder to be a Scouser. Today, the plans for the future are coming together. Last week, we announced what the new Zoe's Place Liverpool would be like, operated and run in Liverpool, putting it on a footing to care for kids from across Liverpool and beyond for generations to come. I am really optimistic that we will do it.

But the truth is this: talk to the families who rely on Zoe's Place and Claire House, see the support that those hospices give to seriously ill children, babies and families, and you will know that that support is not a luxury—it is essential in a modern, functioning society. They provide a vital service that should not require charity to keep it going. Everyone who needs it should have access to high-quality palliative and end of life care, but that is not happening at the moment. Not just Zoe's Place, but children's hospices across the country are in crisis, with many more fearing for their future.

That is why today's debate is important to families up and down Britain. Despite children's hospices providing an essential service, they are overwhelmingly funded by charity. Less than a third of their income—around 30%—is public money, with the remaining 70% coming from charitable donations. That is a broken model. Let me be clear that I have the utmost respect for people who give up their time and money to support our hospices, but as one constituent said to me recently:

"We shouldn't have to sell charity cupcakes to make sure kids are cared for".

But that is what is happening at the moment.

The public funding element of children's hospices is both inadequate and messy. Most of it comes from the children's hospice grant. Introduced by the previous Labour Government, it was designed to provide direct funding to children's hospices. Today, it stands as a £25 million grant, but it has an uncertain future. It was renewed by the previous Government for 2024-25, but

the new Government have not yet said whether the funding will continue. According to the charity Together for Short Lives, if the grant is not renewed, there will be a profoundly negative impact on lifeline care and support. Eighty-two per cent of children's hospices told the charity that they would have to cut or stop providing respite care or short breaks; 70% said they would have to cut or stop providing emotional and psychological support; and 45% said they would have to cut end of life care.

Will the Government commit to maintaining the £25 million children's hospice grant as a ringfenced fund in 2025-26 and for the long term? Will they commit to making it centrally distributed once again? Many care homes have said to me that they are opposed to the integrated care board model that NHS England is using, as it has led to delays in children's hospices receiving money.

The next biggest pot of public money for children's hospices comes from integrated care boards, which have a legal duty to commission palliative care, but the funding is patchy and falling. Research shows that the funding per child with a life-limiting or life-threatening condition varies wildly across the country. It is just £30 per child in Northamptonshire but £397 in Bristol, north Somerset and south Gloucestershire. In my area, Cheshire and Merseyside, it is slightly above average at £206, but there should be no postcode lottery in funding care for kids. And the funding is falling—last financial year, children's hospices on average received almost 10% less funding than the year before, and almost a third less than the year before that. What are the Government doing to make sure that every seriously ill child and their family, regardless of where they live, have fair and equal access to palliative care?

Local authorities have a duty

"to provide services designed to assist"

family carers of

"disabled children to continue to"

provide care

"or to do so more effectively, by giving them breaks from caring."

Local authorities, which are under immense pressure, account for just a small fraction of children's hospice public funding—about 2.5% of the total. The funding fell by 26% from last year to this year, and more than half of children's hospices received no funding at all from their local authorities. What conversations is the Minister having with colleagues in the Ministry of Housing, Communities and Local Government to ensure that local authorities meet their legal duty to provide short breaks for disabled children who have life-limiting or life-threatening conditions?

The funding streams are insufficient for children's hospices at the best of times, but we really are at crisis point. That is why we are all here today. With public funding falling, charitable donations squeezed as the cost of living crisis bites—the cost of living crisis, again, is affecting us all—and increased energy prices, children's hospices have seen their income fall. That is having grave consequences. More than half of children's hospices in England ended the last financial year with a net deficit, and it gets worse: next year, more than two thirds of children's hospices forecast a deficit. Unless more public money is found, more and more children's hospices will have to cut back, more services will be

reduced, more kids will miss out, more families will have nowhere to turn and more children's hospices will be put at risk, just like Zoe's Place in Liverpool. Extra funding is needed just to stay still, let alone to build the world-class care system that our constituents deserve.

According to research from Together for Short Lives, the NHS needs almost £300 million extra to meet the standards for children's palliative care set by the National Institute for Health and Care Excellence. That is the inheritance of 14 years of Conservative chaos, with deeply damaging NHS reforms and chronic underfunding of our public services. Our new Labour Government promised change, and that must be delivered. Will they use the opportunity of the NHS 10-year plan to fill the almost £300 million gap in funding for children's palliative care?

Let me remind everyone that there is money in this country to fund children's palliative care. Our problem is not a lack of wealth, but its extremely unequal distribution. In the run-up to today's Budget, I was one of the MPs who called on the Chancellor to raise taxes on the richest, with policies such as a 2% wealth tax on assets over £10 million, which would raise £24 billion a year—enough to meet the palliative care funding gap 80 times over. That is why I introduced a private Member's Bill yesterday that would launch a review of the funding for children's hospices and guarantee high-quality care for all seriously ill children and their families. I really hope that the Minister will take up that call.

In Liverpool, the people have risen to the challenge, and we are on the cusp of saving Zoe's Place. Now this place has to rise to the challenge as well, and we have to give children's hospices the funding they need to survive. The children and families who rely on these incredible institutions do not have time to waste.

Derek Twigg (in the Chair): I remind Members to bob if they wish to speak—I am pleased to see that they are doing so.

9.45 am

Vikki Slade (Mid Dorset and North Poole) (LD): It is a pleasure to serve under your chairmanship, Mr Twigg. I thank the hon. Member for Liverpool West Derby (Ian Byrne) for securing this debate. Every time I meet a parent whose family is supported by a children's hospice, I am immensely moved by their resilience. Gemma, whose three-year-old son Finlay has been cared for by Julia's House for more than two years, wrote an incredible blog about parental mental health, which can be found on the Julia's House website. In the debate about money, we should never forget that there are not only children whose lives will be shortened, but parents whose capacity to follow their careers and support their wider family is curtailed and siblings whose childhoods will look very different—so-called glass children, who look strong on the outside but are so fragile they could smash to a thousand pieces.

Children's hospices and other charities that support young carers and siblings, such as MYTIME Young Carers and Mosaic in Dorset, deserve our unwavering support. They should not have to rely on charity shops and crazy challenges to make ends meet—although this crazy MP has agreed to do a crazy challenge for her children's hospice next year. My local children's hospice, Julia's House, is just half a mile from my home on the

border of Broadstone and Corfe Mullen and I have visited numerous times since it opened 20 years ago. It has one of the lowest public funding streams across the hospice sector, with only 8% of its funding coming from the NHS. I had no idea that the support it provides for a child in the last six weeks of life is effectively unfunded. I find it shocking that we expect the NHS to fund the birth of our children, but we are relying on charity to fund care at a child's death.

When I visited Julia's House on Monday, I was greeted by a nurse clutching her mobile phone. She showed me the rooms that were prepared for a family who were expected to arrive at any time because their child was approaching the end of their life. The mermaid suite, which was built to support a child's needs both before and after their death, was ready to welcome them. However, I heard that the nurses would need to be available around the clock and would receive no funding from the NHS, despite the fact that hospice care releases intensive care hospital beds. The cost of end of life care was three times the hospice's usual per-child funding because of the medication and end of life support. The hospice would have to take that money from the respite, sibling support and regular care programmes to make sure that the family could be given the choice they are entitled to under the NHS gold standard.

Annabelle's family have been through that already. Annabelle had a genetically inherited condition and was a frequent visitor to Julia's House, where she enjoyed respite stays, made friends, joined the hospice choir and even got to meet a member of her favourite pop band, the Vamps. She passed away earlier this year at the age of just 18, and her family now face the agonising prospect of losing Robbie to the same condition. He is now receiving care at Julia's House. But it is not just Robbie; another sibling is also receiving care and support through counselling, and both parents benefit from the respite breaks that will ultimately give them a chance of staying together. I dread to think what will happen to such families if hospice services are cut back.

The hospice grant has not been confirmed beyond 2025. It needs to be guaranteed in the long term and cover every child that meets the threshold, right up to the point of their death. In Dorset, seven months into the financial year, the contracts with local health services have not yet been confirmed by NHS Dorset and NHS Bath and North East Somerset, Swindon and Wiltshire. I ask the Minister to write to the ICBs and insist that they passport 100% of the grant to our precious children's hospices and commit to a sustainable future for our children's hospices.

9.49 am

Dame Siobhain McDonagh (Mitcham and Morden) (Lab): It is a pleasure to serve under your chairship, Mr Twigg. In my constituency, we are amazingly served by Shooting Star CHASE hospice, a children's hospice that serves 14 London boroughs across south-west and north-west London—quite why that configuration exists, I am unsure—and boroughs and councils within Surrey. I calculate that that is around 1.5 million people. The service provides support to 544 children and their families.

In essence, the funding crisis is due to the unique and specific services that that hospice provides to those children and families. No public body owns it,

[*Dame Siobhain McDonagh*]

and those it serves are so dispersed that any integrated care board can simply ignore the tiny number of families in its area. Every social services department in those 14 London boroughs—all of them beset by the huge problems involved in looking after children—will have a tiny number of children and families, who can therefore be ignored. That is why, despite the desire to bring everything down to the most local area or unit, we would like the Minister to hear the strong argument for maintaining the ringfenced grant for children's hospices. To bring that down to local level would be to give it to services that are already under pressure, where numbers and leverage are equally small.

The breakdown in hospices and children's hospices always has a cost. If a family cannot get support to look after a child with a life-limiting condition at home, in the end the NHS and social services will step in. I appreciate that it is difficult for Governments of all shades to look at issues in this way, but in the long term and in the round hospices save public money. They prevent family breakdown and ensure high standards of care. Few of us would argue anything but that the best place for a child with a short life is at home, supported by the wonderful professionals we have all met.

I ask the Minister to support the continued central funding of children's hospices, as well as to look at what can be done for those services with ICBs and social services departments to ensure that they are held to account for their funding and how they allocate it. Given that we have the opportunity of the 10-year plan for the NHS, is it not time to consider palliative care as part of that framework?

Unlike some Members, I think there is a role for volunteers in raising funds, for instance in shops. I have seen the value of that for individuals who contribute, and I am sure that the amazing constituents of my hon. Friend the Member for Liverpool West Derby (Ian Byrne) have all benefited greatly through what they have done to save his children's hospice. However, hospice funding cannot be jeopardised by being left just to volunteers; the community and its Government, hand in hand, need to look after the most vulnerable children in our country.

Several hon. Members *rose—*

Derek Twigg (in the Chair): Order. If hon. Members can keep speeches to not more than four minutes—that precedent has been set well so far—I will not have to impose a time limit at this stage. Interventions will obviously extend the limit.

9.53 am

Bradley Thomas (Bromsgrove) (Con): It is a pleasure to serve under your chairmanship, Mr Twigg. I thank the hon. Member for Liverpool West Derby (Ian Byrne) for securing the debate and telling his moving story. I know that all hon. Members will be united in our support for hospices across the country. I rise in particular to speak in support of Acorns, a children's hospice that serves the wider Worcestershire, as well as the wider west midlands region and is headquartered in my constituency.

Established in 1988, Acorns Children's Hospice has delivered the essential care that hundreds of local children have needed for the past 36 years. Without it, many families would have been left with nowhere else to turn. When the unimaginable happens and a child receives a devastating diagnosis, Acorns children's hospice has always been there to help. It provides lifelong supportive care for children with life-limiting and life-threatening conditions across the west midlands and Gloucester from three hospices—in Birmingham, Worcester and Walsall—as well as in the community and in family homes. It helps children and families to fill the time they have together with love, fun and laughter and to create lasting memories, and provides tailored care to meet each child's individual medical, emotional, cultural, religious and spiritual needs. I put on record my thanks to all the staff and volunteers at Acorns for their compassionate dedication to the care they provide.

More families than ever need our vital children's hospice care, and that number is expected to continue to grow. However, for the first time in its history, Acorns is facing the prospect of turning away a child in need. The children's hospice grant has existed since 2007 and aims to provide some of the funding required for children's hospices across England. In 2019, NHS England increased the children's hospice grant to £25 million per year for 2023-24 and ringfenced that money specifically for children's hospices. However, that funding is no longer certain under the current Government. I therefore join Acorns Children's Hospice in urging the Minister to protect and maintain the children's hospice grant as a directly distributed ringfenced grant, so that Acorns and every children's hospice in England can continue to provide the care that children and families desperately need.

To give Acorns and local families the assurances they need, the Government must also guarantee the children's hospice grant for at least five years and increase it by at least the rate of inflation each year. Guaranteeing this core funding will allow Acorns and hospices across the country to continue to be there for every child and family who need their vital support.

9.56 am

Yasmin Qureshi (Bolton South and Walkden) (Lab): It is a pleasure to serve under your chairmanship, Mr Twigg. I thank the hon. Member for Liverpool West Derby (Ian Byrne) for securing this debate. I do not have any children's hospices in my constituency as such, but we do have Bolton Hospice, a brilliantly run organisation that serves adults well. Francis House Children's Hospice serves the Greater Manchester area and some children from Bolton will have been cared for there.

I will not try to repeat everything that everyone has already said, except to raise a few salient points. When we see a loved one unwell and suffering, it is incredibly painful, but we can all agree that the pain is even more acute when a child or young person is suffering and reaching the end of their life. Let us remember what hospices are there for: for children and young people, and of course adults in the adult hospices, who are dying. That will be their last few weeks and months. Surely, to have a kind, decent society, we should be able to provide them with the best service possible for their last few weeks and months in this world.

There should be, and should always have been, central provision for palliative care across the whole of the United Kingdom. It should never have been left to local authorities, integrated care boards, charities, the voluntary sector and all the different people who contribute. I agree with my hon. Friend the Member for Mitcham and Morden (Dame Siobhain McDonagh) that there is a role for volunteers, and I pay particular tribute to the people of Liverpool for rallying round and getting money for their hospice, but we should not have to rely on that. We should have £285 million—I believe that is the figure—to provide proper facilities for everyone across the UK so that hospices can plan. With living expenses rising, we know we need experienced and skilled people. If the hospices know they have regular funding coming in, they can plan for things properly, so that it is not a case of, “Gosh, we’ve got a bit of money this month, and we can use it for this facility.” They should be able to plan for the whole year and for years to come.

I congratulate the Minister on his new position. I know will have many such issues to deal with, but I ask him, as colleagues already have, please to think about palliative care in the 10 year NHS review plan and to make it a national plan so that it is given to everyone across the United Kingdom.

10 am

Jim Shannon (Strangford) (DUP): I thank the hon. Member for Liverpool West Derby (Ian Byrne) for setting the scene. It is nice to see him in his place; he used to be in opposition, and now he is in government. He has been elevated, so well done.

I was saddened to hear about Zoe’s Place in the hon. Gentleman’s constituency having to become a stand-alone charity to encourage investment. There are many children who rely on these services, so it is never nice to hear the sort of news which he has presented today. Our hospices are pivotal within their local communities, so it is great to be here to discuss how to support them further.

It is also a pleasure to see the Minister and the shadow Minister, the hon. Member for Sleaford and North Hykeham (Dr Johnson), and I look forward to their contributions. About a fortnight ago I attended a pop-up hospice charity shop here in Parliament. It was helpful to discuss the funding crisis facing our hospices with other Members and representatives. I also signed an open letter to the Minister of State for Care, and I look forward to hearing his responses in relation to these issues.

Over the years, I have supported the Northern Ireland Children’s Hospice, which holds three or four charitable events in my constituency of Strangford every year. People are very generous and incredibly kind. The money that John and Anne Calvert help to raise through those charity events is something we all appreciate.

To give some background on the situation in Northern Ireland, the Northern Ireland Children’s Hospice is instrumental in providing endless amounts of support for people and is incredibly helpful. Horizon House in Newtownabbey is a seven-bed in-patient centre that aids the local community, including through sibling and bereavement support. It goes beyond what would normally be expected, providing community care alongside hospice at-home and palliative care for 350 babies across Northern Ireland, which is really important.

In February this year, the hospice had to reduce its bed capacity to six due to a reduction in Government funding, with the intention of running six beds from Monday to Friday, and three beds on Saturday and Sunday—a drastic change from the seven beds, seven nights model. Incredibly active fundraisers added a huge £14 million to the four hospice care facilities back home.

Mr Gregory Campbell (East Londonderry) (DUP): My hon. Friend is making a fundamental point about the community raising millions of pounds to support hospices, particularly palliative care, across society. Does he agree that that has to be seen, not as a replacement for Government funding, but an addition to it?

Jim Shannon: I thank my hon. Friend for that intervention. He is absolutely right. The £14 million raised in Northern Ireland for hospice care is extra money and—I say this very gently to the Minister and those in positions of power—that should not be taken by the Government as, “Well, we can take £14 million off what they’re doing in Northern Ireland because we’ve got £14 million from the volunteers.” That £14 million is vital to ensuring that the care goes forward.

With increasing reports of closures and decreases in some services, there is a clear need for the Department of Health, wholly supported by the Barnett consequentials, to find ways to financially aid our hospice services so that, years down the line, we do not see impending closures. The core priority, I believe, is to protect these vital services that provide so much to families across the United Kingdom of Great Britain and Northern Ireland.

Together for Short Lives revealed that the Northern Ireland’s Children’s Hospice has forecast a budget deficit of £1.46 million for 2023-24. That is due in part to a 6% cut in the hospice’s statutory income. Our hearts—and, most importantly, our thanks—are with the staff of hospice centres who work tirelessly to support those young children and families through that end of life palliative care.

I conclude with this, Mr Twigg—I am trying to keep to time—I strongly sympathise with the hon. Member for Liverpool West Derby and his constituents on what they are going through. I have every hope that the Government can do something to support the devolved nations, and indeed NHS England, in the funding crisis. This is the responsibility of the Department of Health back home, but that must be fully supported by Westminster, right here.

10.4 am

John McDonnell (Hayes and Harlington) (Ind): I congratulate my hon. Friend the Member for Liverpool West Derby (Ian Byrne) not just on securing the debate, but on his work over the past couple of months or so on raising the funds for Zoe’s Place. He rounded up every Scouser he knew, including those of us who live in exile, and asked them to contribute in some way.

My contribution, to which my hon. Friend made reference, was to do a rendition of “You’ll Never Walk Alone” on the trombone—[*Interruption.*] “Oh dear”, I agree, but let us be charitable about this. The video was used to say, “If you don’t pay the money, we will keep

[John McDonnell]

on playing it.” My brother Brian, an ardent Liverpool supporter, contacted me to ask, “Why were you playing ‘Three Blind Mice’?” This man, my hon. Friend, has nearly raised the money, but I want the message to get out there: we are not yet over the line, and we need it for such a valuable resource.

I also congratulate my hon. Friend the Member for Mitcham and Morden (Dame Siobhain McDonagh) for her work in the all-party group for children who need palliative care. She and Lord Balfé met the Minister, and I believe it was a helpful ministerial meeting. I reiterate the requests that she made of the Minister: the idea of at least extending the £25 million is key, and ensuring that it is ringfenced. It is not that we do not trust the ICBs—eventually they will get into action and will be geared up—but if the money goes directly to them, this will be compete against their other priorities and it is difficult to see how it could be maintained and secure for the future.

Another petition has been raised as well, by Corin Dalby, who wrote to me, calling for £100 million of the money that is raised in fines by the Financial Conduct Authority to be transferred to hospice funding. I think that is worth looking at to fill a short-term gap in the coming period, but the long-term issue is exactly as my hon. Friend the Member for Mitcham and Morden said: we need a comprehensive plan. We accept that that could be a 10-year plan, but people want security over time. I want to see that money integrated into Government funding. Of course, charities raise funds, but additional funds—overall, I think it has to be core funding.

I want to make one final point. I chair a group of unpaid carers, and have done so for the past two years. For someone who is an unpaid carer in this country at the moment, whether they are looking after someone who is sick or a child with a terminal diagnosis, they have almost certainly been thrust to the edge of poverty, because the carer's allowance is so little. That causes untold worry and stress for those parents, which is unnecessary.

We will see what happens in the Budget today, but I put in a plea and hope that the Government will address the carer's allowance. It needs a dramatic uplift, which would help to alleviate some of the stress and pressures placed on parents looking after children with a terminal diagnosis.

10.7 am

James MacCleary (Lewes) (LD): I thank the hon. Member for Liverpool West Derby (Ian Byrne) for securing the debate.

As a parent myself, with two young children, I live in awe of the strength shown by parents of children with life-limiting conditions. It is incumbent on all of us to ensure that funding and support is there, so that those parents can enjoy those precious years that they will have with their children, those moments of joy that sometimes, perhaps, some of us take for granted with our own children. Such families face immense challenges, yet the support they receive varies drastically, depending on where they live. The postcode lottery they face is simply unacceptable.

Sussex, where my constituency is located, with its population of nearly 442,500 children, has an estimated 2,980 children living with life-limiting conditions. That means that approximately 67 out of every 10,000 children in Sussex require specialist palliative care. Those children and families deserve consistent, high-quality care but, sadly, that is not always the reality. A report from the campaign, *Together for Short Lives*, has revealed that Sussex is failing to meet its required standard for 24/7 end of life care at home. That means that families in Sussex are less likely to have access to around the clock nursing care and specialist advice when their child needs it most. It is hard to imagine the additional stress and heartbreak that that inflicts on families already coping with the unimaginable.

This situation is sadly not unique to Sussex. The report highlights the fact that only a third of local areas in England meet the required standards for 24/7 end of life care. That points to a systemic problem: a lack of funding, workforce shortages and a lack of accountability for delivering equitable care across the UK. I want to see a roadmap for change. Increased funding is essential to close the gap in NHS spending on children's palliative care. We need more specialised nurses and paediatricians trained in this field. Most importantly, we need to hold our local NHS and local councils accountable for implementing existing policies, as mentioned by other Members, and ensuring that every child in Sussex and in the rest of the country, regardless of their postcode, has access to the care they need.

I hope we will see some good news in the Chancellor's Budget statement later this morning to close the funding gap for children's palliative care. This is not just about statistics; it is about real families facing real challenges. We must act now to end this postcode lottery. Children with life-limiting conditions deserve the best palliative care.

10.10 am

Wendy Morton (Aldridge-Brownhills) (Con): It is a pleasure to serve under your chairmanship, Mr Twigg. I pay tribute to the hon. Member for Liverpool West Derby (Ian Byrne) for introducing the debate. We all agree that children's hospices do absolutely amazing work, including Acorns in Walsall, which is a lifeline to families in my constituency. Much of its work goes unnoticed by many, but not by those who rely on their services—the children, the families and the siblings. With that in mind, I pay tribute to Councillor Kerry Murphy who, at a recent meeting at Walsall Council, gave an incredibly moving and emotional speech, touching on her own personal experience as a carer, a mum and a wife who relied on the services of Acorns hospice. Whether it is accessing short breaks for respite, help for accessing the right services or support for the loss of a child, children's hospices are a crucial source of support for seriously ill children and their families.

It costs around £11 million every year for Acorns to run its care services, and only a small percentage of that is funded by Government. That money currently comes through NHS England. Children's hospices, as we have heard this morning, are left increasingly reliant on their charitable income and reserves to provide that vital care and support. Thanks to the commitment, determination and ingenuity of the Acorns team, it has increased its fundraising efforts, with a whole programme of activities, including its shop in Aldridge, but it is not sustainable to expect such reliance to continue.

If the Government fail to maintain the existing £25 million NHS England funding for the children's hospice sector, families and children will suffer. They will miss out on the extraordinary care and support that they need and rely on. Their child will miss out; their siblings will miss out. I really fear that if this funding issue is not addressed properly, as we have heard this morning, our hospices will face some of the toughest decisions, which none of us would like them to have to face. That cannot be right. We have a responsibility to the sector, which needs clarity and commitment from the Minister, and I hope we will get that today. It needs the certainty of sustainable funding, starting with a return to NHS England distributing the grants centrally in '25-26. With care costs growing rapidly, the £25 million must be maintained and increased.

I will make a further point on the role of the ICBs. We know that ICB funding for children's hospices is patchy and variable and nowhere near the level that is really needed. Greater accountability and transparency are required, so I urge the Minister to listen to the hospice sector and recognise that its strong preference is for the funding to go through NHS England. I am conscious of time, but I urge the Minister to listen to us and to maintain, ringfence and centrally distribute the budget beyond '24-25, with increases at least at the rate of inflation.

10.14 am

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your guidance today, Mr Twigg. I pay tribute to the hon. Member for Liverpool West Derby (Ian Byrne) for bringing this important debate to this place at this time and for making astonishingly good use of it. There is no doubt whatever that Zoe's Place and the fundraising appeal will have been benefited materially from his putting this issue before this place, and therefore before the country and his community. I pay tribute to his community for their generosity.

I speak on behalf of the children's hospice Jigsaw, which serves Cumbria, north Lancashire and the south-west of Scotland, and of Derian House in Chorley, which also serves some of my constituents. The scale of the heartbreaking reality of young people living with life-limiting conditions is mind-blowing. Nobody could fail to be moved by that reality and the impact on the families. It is worth also bearing in mind the immense compassion and professionalism demonstrated at Jigsaw and, indeed, all our hospices. It is true that there is a value in the hospice movement having independence and charitable status. It values that but there is a limit, and what we are looking at today is hospices, particularly children's hospices, being stretched beyond the limit of their ability to raise the funds that they need to take care of the very poorly children whom they lovingly and so professionally do take care of.

The scale of the issue is worth bearing in mind. For the ICB that covers the southern part of my constituency, Lancashire and South Cumbria, there are currently nearly 3,500 people aged 0 to 24 years with life-limiting or life-threatening conditions. For the ICB for north Cumbria, which includes the whole north-east of England as well, the figure is more than 6,000. The money spent per head is £18.86 per child. If we think about the whole hospice movement serving Cumbria—St Mary's at Ulverston, St John's at Lancaster, Derian House,

Eden Valley Hospice and Jigsaw—we are talking about the taxpayer, the NHS, being saved £33 million every single year because of the support that those hospices give in providing palliative and end of life care for people of all ages.

There is a particular thing that I want to raise about Jigsaw and the threat that it faces. It is a relatively small children's hospice serving a very large rural county. The hon. Member for Strangford (Jim Shannon) talked about the importance of hospice at home, for example. The support that Jigsaw gives families outside the hospice is also massively important. But in recent years, of course, inflation has had an impact on fundraising. Look at energy bills: there has been an increase of something like 30% in overheads for most children's hospices, including Jigsaw. Also, of course, hospices need and want to compete with the NHS on the pay that they give their excellent staff, but they are not funded. When the NHS has a pay rise, each part of the NHS, generally speaking, gets the funding to cover it, but not children's hospices, so we are calling for ringfencing and central distribution of the money to hospices and for increases if at all possible.

I want to say a particular word about the complexity of our communities. I do not want to overly criticise our ICBs, but we have a children's hospice that serves two, and as a result, getting the money out of them can be very difficult. It should not be for children's hospices to work so tirelessly to drag money out of the public sector and to raise so much from voluntary services when what they are trying to do is to provide compassionate, professional, end of life care for children. It is time today for the Chancellor to step up and fund our hospices, including Jigsaw, in a way that is permanent, reliable and sufficient.

10.18 am

Iqbal Mohamed (Dewsbury and Batley) (Ind): It is a pleasure to serve under your chairmanship, Mr Twigg. I thank the hon. Member for Liverpool West Derby (Ian Byrne) for securing this important debate. In preparing for it, I learned that more than half of children's hospices around the UK reported a deficit in 2023-24. As a result of a lack of long-term and sustainable statutory funding, coupled with the increasing costs incurred when providing lifeline care to seriously ill children and their families, more than half of children's hospices in England ended the year in deficit. Looking ahead to 2024 and '25, the picture gets even worse, with nearly three quarters of children's hospices forecasting a net deficit and with the total shortfall across 35 organisations estimated to reach £25 million.

In Kirklees, where my constituency sits, Forget Me Not Children's Hospice is an essential part of our local health and care system. It offers vital palliative care and support to seriously ill children and their families. Despite that, however, the hospice is facing a turning point: crucial services, including respite and end of life care, will be cut if the Government fail to maintain the existing £25 million NHS grant funding for children hospices. For Forget Me Not, the impact of losing that grant would be catastrophic and result in a significant reduction in services in our area. That comes on top of already fragile sustainability as a result of historic underfunding, making it one of the least funded hospices in the UK.

[Iqbal Mohamed]

Amid a year of high inflation and the growing costs of recruiting and retaining skilled and experienced staff, children's hospices' costs are rising. UK Government Ministers must act urgently to ensure that seriously ill children and their families can access the crucial hospice and palliative care services they need. I stand here and join other hon. Members in asking the Minister to maintain the £25 million as ringfenced, centrally distributed NHS funding for children's hospices beyond 2025, and to ensure that that funding increases by at least the rate of inflation. I also ask the Minister to use the new 10-year plan for England to review the way in which children's palliative care is planned and funded, and to ensure that those vital and critical services are funded in full and not left to rely on community fundraising.

10.21 am

Zöe Franklin (Guildford) (LD): It is a pleasure to serve under your chairmanship, Mr Twigg. I start by thanking the hon. Member for Liverpool West Derby (Ian Byrne) for organising this very important debate on the funding of children's hospices. I have had the sobering privilege of visiting Christopher's children's hospice, which is run by Shooting Star Children's Hospice Association of the South East, just beyond the border of my constituency of Guildford, on two occasions in the past year. Each of those visits has left me with a lasting impression, as I witnessed the incredible work that the dedicated staff team do to support not only the children with life-threatening conditions in my constituency, and well beyond, but their families.

My reason for speaking today, just as so many others have done, is to highlight how challenging the financial situation that hospices are experiencing has become. We have heard that only a third of the funding required by hospices comes from the NHS and central Government, and the rest is sourced from charitable donations. We are really fortunate to live in a society where fundraising for children's hospitals can keep them funded, but is that really how we should be providing the majority of the funding for crucial services for children with life-limiting and life-threatening conditions? The £25 million allocated by NHS England is intended to support children's hospices, but the distribution through ICBs has led to significant delays in accessing that funding for the upcoming 2024-25 financial year, and there is a really troubling uncertainty whether it will continue into 2025-26 and beyond. That only exacerbates the already daunting task of financial planning for hospices.

Given those circumstances, it is perhaps not surprising that, in a recent survey of children's hospices, Together for Short Lives found that hospices would prefer NHS England funding to be distributed centrally, according to an overwhelming 83% of respondents. That would provide the certainty and stability that is crucial to them. I am sure that everyone here can agree that children's hospices play a vital role in our communities, and I want to put on the record today a really big, heartfelt thanks for the care that hospices and their honestly incredible staff provide to children and their families. I particularly thank Christopher's in Shalford for the care it provides for my own local residents, as well as those across Surrey and beyond. Those families and their children are going through some of the toughest

challenges imaginable. However, our gratitude is not enough. I really urge the Minister today to commit to a fair, long-term deal on funding for children's hospices and to ensure that the NHS funding returns to being a centrally managed grant.

10.24 am

Mr Joshua Reynolds (Maidenhead) (LD): It is a pleasure to serve under your chairmanship, Mr Twigg.

I thank the hon. Member for Liverpool West Derby (Ian Byrne) for securing this important debate. Children's hospices provide an essential service, offering specialised care for children with life-limiting and life-threatening conditions. However, they are not just a place of medical care; they are sanctuaries of love, comfort and dignity, ensuring that every child can experience joy and the best possible quality of life.

Nevertheless, like many institutions in the UK, children's hospices have been struggling over the past few years. In 2023-24, they spent 15% more than they did in 2021-22 while receiving 31% less funding from ICBs and 11% less from local authorities. Compounding that situation is the fact that since 2019-20 there has been a 41% increase in the number of children receiving end of life care in hospices.

Alexander Devine Children's Hospice Service in Maidenhead is a shining example of children's hospices. In November 2001, Alexander Devine was diagnosed with a brain tumour at the age of four. At that point, his whole family became consumed by hospital appointments, doctors, nurses, operations, treatments and scans. Sadly, four and a half years later, Alexander died, aged eight. The Devine family knew clearly at that point that Berkshire needed its own children's hospice and the Alexander Devine hospice has become a lifeline for countless families across Berkshire, bringing together the community and the community's compassion.

The impact that Alexander Devine Children's Hospice Service has on the community is profound. In the last year, it has provided over 18,000 hours of care and support for families, which is not just a statistic for those families; it means countless moments of relief and joy, and the creation of precious memories for families, all of whom have challenging lives. However, that is set against the backdrop that 83% of the hospice's funding comes from donations, fundraising and gifts in wills. The reliance on charitable contributions underscores the precarious nature of funding in this sector.

We understand that children's hospices are not luxuries but necessities, filling a critical gap in our healthcare system. However, if they are to do that, we need to fund them properly. I will not repeat the calls on the Minister that every other speaker has made today, but it is clear that we need to see forward movement. I am really hopeful that our wishes this morning will be reflected in the Budget later.

I close by reflecting on the words of Fiona and John Devine:

"The word 'hospice' is not a word that many relate to with happy thoughts; I much prefer the Latin 'a resting place on life's journey'. I know from my experience that you cannot go into a children's hospice and not be filled instantly with love, laughter, happiness and tears."

Derek Twigg (in the Chair): I thank Members for their co-operation in terms of the time they are taking for their speeches. I say to the Front-Bench speakers that I am keen that the hon. Member for Liverpool West Derby (Ian Byrne) should get a chance at the end of the debate to wind up for a minute or so.

10.27 am

Alison Bennett (Mid Sussex) (LD): It is a pleasure to serve under your chairmanship, Mr Twigg.

I begin by thanking the hon. Member for Liverpool West Derby (Ian Byrne) for securing this really important and timely debate. I also pay credit to his efforts and the efforts of the good people of Liverpool for all the work they have done to save—hopefully—Zoe's Place. However, the fact that all those efforts, including the trombone-playing, have been required means that today we are not where we should be. Based on the contributions across the Chamber this morning, there is widespread agreement among Members that this total dependence of children's hospices on fundraising—putting out the begging bowl to keep them going—is unacceptable and something that we would like to see change.

In Mid Sussex, where I live, I know somebody called Carey who I first met in 2019. I went to his house for a cup of tea and he pointed to a photograph on the wall and said, "Just so you know, this is my son Fred, and Fred died when he was a teenager." Roll on to 2024, and Carey and I are no longer fellow constituents—he now lives just outside Mid Sussex—but we are both served by the wonderful Chestnut Tree House Children's Hospice in Arundel, which serves families right across west Sussex.

Chestnut Tree House did an incredible job for Carey, Fred and the whole of their family as Fred approached the end of his life. Carey said he is certain of the fact that

"without the support of Chestnut Tree House for our lovely Fred, and for us as we helped him, on his journey from lively teenager to death, we would all have been broken beyond endurance".

What Chestnut Tree House did for Carey was to make his and his family's most difficult years as bearable and as happy as they could be. Every child whose years are shortened and every family involved deserves such support. I fear that unless the Government take decisive action, such vital support services will continue to wither, and children like Fred and family members like Carey will be left to fend for themselves in truly dark times.

This is not an issue to be addressed at a later date, but one that has consequences for children and families throughout the country today. The challenges faced by children's hospices are daunting. Each year hospices across the UK provide vital services to around 300,000 people, including approximately 7,500 children with life-limiting or life-threatening conditions. That is why we Liberal Democrats firmly believe in the necessity of a fair funding deal for hospices. It is time to address the inconsistencies that Members have spoken about in children's palliative care funding, and ensure that all hospices are properly resourced to meet even the most basic NHS standards.

Charities such as Together for Short Lives have identified systemic problems that stop children getting the care they need. With the large majority of funding being private or charitable, the sector is precariously poised. Although the increase in the children and young people's

hospice grant to £25 million is a positive step, I am sad to say that it falls woefully short of the £295 million gap in NHS spending on children's palliative care identified by charities such as Together for Short Lives.

A staggering two thirds of local areas in England fail to meet the required standard for 24/7 end of life care for children at home. Alarming, only 14% of integrated care boards—just six in total—currently fund services that provide round-the-clock access to children's nursing care and specialist paediatric palliative care consultations.

The postcode lottery is very real. In 2022, NHS funding for children's hospices varied dramatically. Areas such as Norfolk and Waveney allocated £511 per patient; others, such as South Yorkshire, provided a mere £28. This disparity is totally unfair. It leads to unequal access to essential services, including therapies like physiotherapy, which can make a genuinely life-changing difference for so many children. These are not just statistics: they translate into real-life consequences for families who need and deserve every bit of support they can get.

Meanwhile, rising costs have not been matched by appropriate funding increases, and the lack of transparency in funding and services is concerning. Freedom of information requests revealed that only 31% of integrated care boards could confirm how many children with life-limiting conditions accessed hospice care in their area, while 14% could not even report on their spending in this critical area. This is unacceptable. We must have a clear understanding of the needs in our communities to ensure that no child is left behind. We cannot allow our most vulnerable children and their families to be at the mercy of a fragmented and inadequate system.

We have a moral obligation to act. Together we can create a future in which every child, regardless of their circumstances, or where they live, receives the best possible palliative care. That can happen when, first, the Government fix the postcode lottery; secondly, they review the declining charitable incomes of hospices and the links to deteriorating services; thirdly, they review commissioning for palliative care, which too frequently leaves hospices out of pocket for providing basic services and which leads to significant disparities within and between communities; and finally, they introduce a specific national hospice workforce plan to cut vacancy rates with the utmost urgency.

It is vital that the Government commit to action to ensure that every child whose years are shortened, and every family involved, can make the most of every moment they have left together, just as Fred, Carey and the rest of the family were able to do.

10.34 am

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): It is a pleasure to serve under your chairmanship, Mr Twigg. I congratulate the hon. Member for Liverpool West Derby (Ian Byrne) on securing this important debate and on his work to raise funds for this important cause. I will look on YouTube later to see whether I can find the right hon. Member for Hayes and Harlington (John McDonnell) playing the trombone; I am sure it will be a great rendition.

Losing a child is every parent's very worst nightmare, but every day parents throughout the country are caring for children with life-limiting diseases. There are now

[Dr Caroline Johnson]

99,000 seriously ill children and their families in the UK. For those families the children's hospices are, as we have heard today, a necessary lifeline. As an NHS consultant paediatrician, children's palliative care is an issue close to my heart and I have cared for many children with life-limiting illnesses. I have also been the person who has delivered that bad news and been there through families' journeys, and also in those final moments.

My role as a politician now gives me the opportunity to stand here and advocate for those families and those children, and to use this platform as a vehicle for positive change to make the treatment and care for those children much better. It is an opportunity I have taken before. I was pleased to hear my hon. Friend the Member for Bromsgrove (Bradley Thomas) and my right hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) talk about Acorns hospice. In 2019, the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) and I co-chaired the all-party parliamentary group for children who need palliative care, and heard of the financial difficulties faced by Acorns and other hospices. Our campaign, and an Adjournment debate held in July 2019, led to an announcement from the Minister at the time, my hon. Friend the Member for Gosport (Dame Caroline Dinenage), that the hospice grant would be doubled from £12 million to £25 million. That certainly helped the hospices then, but time has moved on.

Demand is increasing; there are more children affected, sadly; those children are living longer, which means they need the services for longer; and the complexity of the care they require has increased. In fact, on average, children's hospices in England spent 15% more in 2023-24 compared with 2021-22. Charities have raised money to fill the gap, but we have heard that they find it more difficult to raise funds in some areas than others, depending on the relative affluence of the people who live in the area surrounding the hospice. That relates not to their generosity but simply to their means to provide extra funding. It is important that we ensure that all children have access to such services, regardless of where they live.

Progress was made in the previous Parliament on improving access to palliative care for children. As part of the Health and Care Act 2022, the Government added palliative care services to those that must be commissioned by the ICB. As part of that, £1.5 billion of extra funding was provided at national level to support ICBs with inflationary pressures, and a further £25 million was allocated in grant funding for the 2024-25 period. However, it is important to say that we still have increasing demand and we still need more funding. We also need certainty, as hospices cannot plan from year to year. They need the Government to give them the sort of certainty of financial support that they were given previously.

I am concerned about the Budget this afternoon, because we have been briefed that national insurance contributions for employers will rise. We have also been briefed that NHS direct employers will be protected, but that will not necessarily protect hospices and others who deliver healthcare services. We will look carefully at that this afternoon.

As I said, the ICBs are now responsible for allocating funding for children's hospices, but Together for Short Lives has highlighted the variation in how they have allocated that grant. Some have paid the allocation in full, some are paying it quarterly and others have not paid at all. What steps will the Minister take to hold the ICBs to account for allocating the grant and supporting hospices?

I recognise that there is great value in the ICBs providing local services, locally commissioned, to best target local services at the population they serve, but there is also a recognition that some services are low volume but high complexity and best commissioned nationally. I urge the Minister to consider carefully whether the balance is right for children's hospices, which are certainly relatively low-volume, high-complexity services, and whether they should be nationally commissioned. In either case, it is wrong that ICBs do not have access to the statistics showing the number of children they have to care for, because without them they cannot plan their funding. I ask the Minister to do what he can to ensure that he has the right information to make the right decision.

Many children with life-limiting conditions have cancer. The children and young people cancer taskforce was set up earlier this year to drive improvements in how we detect, treat and care for children with cancer. What is the Government's alternative to the cancer taskforce, which has been paused, and how quickly can we expect it to be put in place?

I appreciate that it is difficult for the Minister to make commitments, given that the Budget is just a few hours away, but will he commit to reviewing the locations of children's hospices? A report produced by the APPG for children who need palliative care—including the hon. Member for Mitcham and Morden (Dame Siobhain McDonagh)—in conjunction with Together for Short Lives demonstrated that because children's hospices are often set up charitably, their locations are not always spread evenly across the country, so particularly in rural areas people find it difficult to access one. Given that all children must have access to hospices, will the Minister commit to at least looking at how to ensure that access?

Will the Minister restate the Government's commitment to the provision of short breaks? Children's hospices provide excellent palliative care at the end of life, but they also provide significant care during life. Part of that is short break respite care, which is so valuable to many families. Will the Minister commit his Department to ensuring that is funded?

10.41 am

The Minister for Care (Stephen Kinnock): It is a pleasure to serve under your chairmanship, Mr Twigg. I thank my hon. Friend the Member for Liverpool West Derby (Ian Byrne) for securing this vital debate. I know that this sector—this community—is very close to his heart. I thank him for all his work to support it and raise awareness of the issue generally, and in particular for the heroic work he has been doing for Zoe's Place. I know Zoe's Place faces an uncertain future, but I also know that my hon. Friend is spearheading its fundraising campaign and has been part of the discussions with its trustees and builders about securing a new site for the hospice to ensure it has a long-term future. I am very

much aware of the work that the Liverpool-based Home Bargains is doing, particularly in pledging an incredible £2.5 million towards the campaign. I wish my hon. Friend and the hospice every success in those vital endeavours, and I pay tribute to Home Bargains for its outstanding community spirit.

I thank the many hon. Members who have attended this important debate and contributed so powerfully to it. We have heard some really excellent contributions. Hon. Members have shown how important this issue is to the House. I thank all the people who work in children's palliative and end of life care, including in hospices throughout the country, which provide vital care and support to those who need it.

We all recognise the importance of palliative and end of life care services, including hospices, which provide personalised care and support at the most difficult times for children and young people with complex needs, and their families and carers. It is estimated that there are more than 86,000 children and young people with life-limiting conditions in the UK, but it is predicted that, as we continue to make medical advances, that number will increase.

Palliative and end of life care for children with life-limiting conditions is provided by a broad range of organisations and professionals across multiple settings, including primary care, community care, hospitals, hospices, educational settings and children's own homes. This system-wide approach to providing palliative and end of life care should be sufficient to ensure that the local offer to patients is personalised, of high quality and sustainable. The majority of palliative and end of life care is provided by NHS staff and services, but we recognise the essential part that voluntary sector organisations, including hospices, play in providing support to people at the end of life and their loved ones.

Children's hospices are a vital part of that system-wide approach, because they provide a wide range of health and care support to meet the physical, emotional, social and, indeed, spiritual needs of children, young people and their loved ones. Care is often provided by a multi-disciplinary team, and often in collaboration with statutory services, to ensure that the entire family is supported.

The support provided by hospices can include practical advice and information; short breaks or respite; specialist therapies such as physiotherapy, art therapy or play therapy; 24/7 end of life care; and bereavement support. Short breaks are a key part of a range of provisions that support disabled children and their families. They can include the provision of day, overnight and weekend activities for children and young people, and can take place in the child or young person's own home, the home of an approved carer, or a residential or community setting.

Local authorities have a statutory duty to assess the social care needs of disabled children and young people, and to provide respite care where necessary. Where it is appropriate, local authorities can fund respite care provided by hospices, either as a short-term stay or as a service that the hospice team provide to the child or young person in the family home. Local authorities and ICBs regularly liaise to plan and commission the most appropriate package of respite care for children and young people with life-limiting or life-threatening conditions in their area.

The Government do not monitor the use of social care for children with palliative and end of life care needs, but local authorities are required to publish a local short breaks duty statement, which shows what services are available, how they respond to the needs of local carers and how they can be accessed, including any eligibility criteria. Local authorities must consider the needs of local parents and carers when preparing their statements, and they must review them regularly.

Palliative care services are included in the list of services that an integrated care board must commission. That promotes a more consistent national approach and supports commissioners to prioritise palliative and end of life care locally. To support ICBs in that duty, NHS England has published statutory guidance and service specifications, which include specific reference to ensuring that there is sufficient provision of specialist palliative care services and hospice beds, as well as future financial sustainability.

Most hospices are independent charitable organisations that receive some statutory funding from the NHS.

Wendy Morton: If funding for children's hospices is to go through ICBs—I hope the Minister will take account of the sector's view—what assurance can he give us that it will actually go to the children's hospices? I fear that if we are not careful, we will pit one healthcare sector or charitable sector against another, and that would not be in anybody's interest.

Stephen Kinnock: The right hon. Lady is absolutely right: funding that is earmarked for palliative care must go to palliative care. There is statutory guidance from the NHS, and it is vital that we continue to liaise with ICBs from the centre, to ensure that the allocated funding goes where it needs to go. If she is aware of cases in which that funding is not going where it should go, she should make representations; I am happy to receive a letter from her on the issue.

The amount of funding that each charitable hospice receives varies both within and between ICB areas. That funding will vary depending on demand in an ICB area, but will also depend on the totality and type of palliative and end of life care provision from both NHS and non-NHS services, including charitable hospices, in each ICB area. There are inequalities in access to hospice services, especially for those living in rural or socio-economically deprived areas. That is why including hospices as part of a system-wide approach is so important.

I understand that charitable hospices value their independence and autonomy, which allow them the freedom to provide services beyond the statutory offer, which is one of the wonderful parts of hospice care. That independence also gives a sense of shared purpose, in which the community cares for the hospice, and in turn the hospice cares for the community and is something to be cherished. That is indicative of the compassion that is found in hospices and communities all over the country.

In addition to ICB funding, at a national level, NHS England has supported palliative and end of life care for children and young people through the children and young people's hospice grant, totalling £25 million in '23-24. While '23-24 marked the final year of the grant in its previous format, in '24-25 NHS England continued to provide £25 million of funding for children and

[Stephen Kinnock]

young people's hospices. A prevalence-based model is used for that funding, which supports the move away from a traditional model of bed-based funding, better reflecting population needs. In '24-25, that funding was transacted by ICBs on behalf of NHS England for the first time, rather than being centrally administered. I am aware that the shift to an ICB-transacted model for '24-25 has not been as smooth a transition as we in the Department certainly would have hoped. We are working closely with NHS England to resolve any remaining issues with the '24-25 funding, and to learn from what did not work so well this year.

We, alongside NHS England, absolutely recognise the importance of sustainable funding for the palliative and end of life care sector, including hospices, and we will consider the future of children's hospice funding in the context of Budget discussions. I have absolutely heard the representations by hon. Members on both sides of the Chamber today about the need for the Government to maintain the £25-million grant, and I assure hon. Members that I am working very closely with NHS England to get that confirmed as a matter of urgency.

Dr Johnson: The Minister talked about maintaining the grant, but does he recognise that many hon. Members have also raised the increasing costs that hospices are facing? Will he look to not just maintain the grant but increase it?

Stephen Kinnock: We are certainly looking at all those issues in the round, including ensuring that the grant is sustainable and that there is a real-terms financial input to the system. We are working on that as a matter of urgency. I totally recognise and understand why the sector needs certainty and stability; it is very difficult for hospices not to be sure what is happening after this in-year position.

The 2010s were a lost decade for our health and care services, which now too often are not there when we need them. That is also true for hospice care, where we see a postcode lottery for services across the country and variation in quality and access. Hon. Members will know that we have committed to developing a 10-year plan to deliver an NHS and care system that is fit for the future, by driving three shifts in the way that care and health services are delivered.

We will be carefully considering policies, including those that impact children with palliative and end of life care needs, with input from the public, patients, health staff and our stakeholders as we develop the plan over

the coming months. That engagement process was formally launched last week, and I strongly encourage the sector, including hospice providers, service providers and their families, and indeed every parliamentarian in this Chamber, to engage with that process: please go on to change.nhs.uk and make your voice heard. That will allow us to fully understand what is not working as well as it should, what the solutions are, and where the opportunities are for the future.

One of the three strategic shifts that our 10-year health plan will deliver is the Government's determination to shift more healthcare out of hospitals and into the community. Community health teams play a vital role in supporting children and young people with complex health and care needs to live as well as possible, providing proactive care and preventing exacerbations and hospital admissions where possible. That shift from hospital to community includes our commitment to roll out neighbourhood health services to ensure that patients and their families receive personalised care in the most appropriate setting in their community, and indeed as close as possible to home. Palliative and end of life care services, including hospices, will have a major role to play in the fundamental shift from hospital to community, and in shaping that shift.

Additionally, the Department, through the National Institute for Health and Care Research, is investing £3 million in a new policy research unit in palliative and end of life care. That unit launched in January 2024 and will build the evidence base on all-age palliative and end of life care, with a specific focus on inequalities. In closing, I thank once again the hon. Member for Liverpool West Derby for securing this vital debate on children's hospice funding. I again express my heartfelt thanks to all those who support children, young people and their loved ones when they need them most.

10.55 am

Ian Byrne: It has been a privilege to listen to hon. Members and sense the unanimous feeling that where we are now is not sustainable or acceptable. We do not want to see more cases like Zoe's Place to happen in constituencies across the country. Once again, I thank the House and all hon. Members here for what they did, and the Minister and the shadow Minister, the hon. Member for Sleaford and North Hykeham (Dr Johnson), for their responses. I hope that we can find the solution moving forward; I will certainly be having conversations with the Chancellor about it.

Question put and agreed to.

Resolved,

That this House has considered funding for children's hospices.

Childcare: Black Country

10.58 am

Derek Twigg (in the Chair): I will call Sonia Kumar to move the motion and the Minister to respond. There will not be an opportunity for the Member in charge to wind up, as is the convention for 30-minute debates.

Sonia Kumar (Dudley) (Lab): I beg to move,

That this House has considered the quality and availability of childcare in the Black Country.

It is a pleasure to serve under your chairmanship, Mr Twigg. It is an honour to introduce this debate. I want to talk about the importance of high-quality and accessible childcare in the Black Country, a region that is rich in history, resilience and community spirit.

The Black Country, with areas such as Dudley at its heart, has always been a place where working families thrive, and where communities are built with hard work and strong values. For those families to thrive they need support, and childcare is a crucial part of the network for that. This is not just a family issue; it is also about children's future in Dudley, our community strength and the local economy. Good affordable childcare supports parents in the workforce, boosts child development and helps build the foundation for a stronger society.

As of June 2024, Dudley has 45 registered childcare providers offering about 1,126 places for children under eight. Despite those numbers, much of the Black Country, including Dudley, is classified as a childcare desert. Families in the Black Country have long supported each other through community efforts but now face a lack of critical childcare options, with only 17 places per 100 children in Dudley. Those figures fall far below the national average of 25 per 100. Can Members imagine if every time they needed childcare, three out of every four doors they tried were shut? That lack of access leaves parents with fewer options and waiting longer, forcing them to make tough decisions about work and family care. The Black Country early years education sector faces unique challenges, especially for children with special educational needs and disabilities. The YMCA reports that over a third of children in its Black Country settings—34%—need additional support. That is significantly higher than the 13% in the most affluent areas of the UK, yet there is a shortage of resources, SEND assessments and funding, which limits vital one-on-one and specialist care. Without those early interventions, many children risk falling behind, underscoring the need for more targeted support in our community.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady for securing this debate and directly underlining the issues pertinent to her constituency. There are also other important issues to consider, including autistic children, children who need speech therapy and the one-to-one support needed in nurseries and childcare. Does she agree that a special priority needs to be given in circumstances where children need care early? By getting care early, they can get to a stage where they can do their schooling and are set up for their future life.

Sonia Kumar: I agree with the hon. Gentleman. Intervention is so necessary at early ages. If we catch children early, we can help their future development as

they move from early years into schools, and if we help their development we can make sure that they succeed in the future.

It is about not just the availability of care, but the quality of care. Quality is just as critical as availability. Among 28 local providers inspected by Ofsted, only 7% received an outstanding rating, compared with the national average of 14%. Although most providers were rated good, Dudley still lags behind the national quality standards. Since 2022, rising costs have strained early years funding, making it difficult for childcare providers to maintain higher standards. Labour's commitment to increase funding and expand access to vital services is essential for families that deserve and need them.

Rising poverty and inequality make those childcare challenges even tougher. In Dudley, child poverty rose from 22% in 2014 to 32% in 2023, while, across the UK, the rate rose from 15% to 20% over the same period. For local families under financial pressures, finding affordable childcare is significantly challenging. Department for Education data from 2023 shows that although 72% of mothers are working, nearly half of non-working mothers say that they would work if they had access to convenient and affordable childcare. For families with children under four, that number rises to 54%. With limited childcare options, many parents, particularly mothers, are forced to stay outside work, adding to family stresses and limiting the local economy.

Labour pledges to offer free quality childcare for children aged two to four, which will help parents to manage costs and allow more people to return to work. I welcome Labour's promise to open 300 more nurseries within the year and use empty school classrooms to meet the demand for more childcare spaces, which are very much needed in places such as Dudley and the Black Country. By covering up to 80% of childcare costs for qualifying families, Labour's plan to offer meaningful relief for working parents will help to build a foundation of support for children in the future.

Investing in early years education benefits not just families, but the entire economy. Studies show that universal childcare brings more parents, especially mothers, into the workforce, generating tax revenues that can help to cover programme costs. The Centre for Progressive Policy estimates that inadequate childcare access costs the UK about 1% of GDP a year. Imagine the positive effect that this would have in places such as Dudley if more parents could work with affordable, reliable childcare in place. Research from Ofsted highlights the significant role that early years education plays in lifelong learning and development. Its "Best start in life" report outlines four critical areas—literacy, mathematics, understanding the world and expressive arts and design—that provide young children with the foundation for academic and personal success.

As we look to the future, I urge the Minister to prioritise childcare reform and ensure that it matches local need. I have the following asks. How will the Government address the persistent childcare deserts in areas such as Dudley, where places fall below the average? With child poverty rising, what specific measures will the Government put in place to ensure that families in financial hardship can access childcare, especially in places such as Dudley? How will the Government support childcare providers who face inflation-driven costs that continue to rise and that are a burden on the provision

[Sonia Kumar]

of good-quality care? Will the Minister visit the constituency of Dudley to see what the childcare provisions are and the areas where improvement could be made?

We need a childcare system that strengthens our communities, supports our economy and ensures that every child has the chance to succeed. Quality depends on not just childcare, but its accessibility for families—not only for those who can afford it, but for those who need it most. By investing in early years education, we are investing in a stronger and more resilient future for the Black Country and my constituency of Dudley. Let us work together to make quality childcare a reality for every family, giving each child the foundation that they need to thrive and each parent the support that they deserve.

11.6 am

The Parliamentary Under-Secretary of State for Education (Stephen Morgan): It is a pleasure to serve under your chairmanship, Mr Twigg. I thank my hon. Friend the Member for Dudley (Sonia Kumar) for securing a debate on this important subject, especially on such a busy day in the House. I know already that she is a real champion for children and young people in her constituency.

This Government believe that all children, regardless of who they are, where they come from or their parents' income, deserve access to high-quality early education. This mission-driven Government have committed to the best start in life pillar, reinforcing the importance of available and affordable high-quality early years education and childcare. The new Government are committed to delivering the childcare entitlements that families have been promised, giving every child the opportunity to have the best start in life. Local authorities and early years providers have worked diligently to deliver the latest expansion of entitlements in September, and more than 320,000 parents are already accessing a place.

Over the weekend, we confirmed £1.8 billion to support the expansion to 2025-26 and a further £15 million of capital funding to expand school-based nurseries. Eligible working parents of children aged nine months are currently entitled to 15 hours of Government-funded childcare a week for 38 weeks a year. From September next year, this will increase again to 30 hours, but we have to be honest with parents in the Black Country and across the country about the scale of that final, more challenging phase.

Around 70,000 additional places and 35,000 early years educators are needed to deliver the expansion to 30 hours next September. Our analysis tells us that more than half of local areas need to increase their capacity by between 10% and 20% to meet the demand for next September and that the highest uplifts are needed in some of the most disadvantaged areas. We will continue to work tirelessly to bridge the gaps ahead

of next September. However, in some parts of England, though parents may receive the hours they were promised, they may not get their first choice of nursery or childminder.

I know from my engagement with councils that local authorities are working hard to generate growth in available places and to develop the workforce they need. My Department has regular contact with each local authority in England to discuss the sufficiency of their childcare places and the issues they are facing. Where needed, it links local authorities with Childcare Works, an organisation contracted by the Department, to support them.

The size and quality of early education and childcare provision in the Black Country is significant. Across Dudley, Sandwell, Walsall and Wolverhampton, there are around 770 providers that provide approximately 32,000 places. My hon. Friend will be pleased to know that local authorities in the Black Country area are not reporting any issues with their sufficiency.

As my hon. Friend rightly states, high-quality early years education plays a crucial role in improving children's life chances. It has a positive impact on children's outcomes in the short and long term, particularly for the most disadvantaged. Under this Government, growing the early years education system will not come at the cost of quality. We have already announced the extension of the early years stronger practice hubs programme until at least March 2025, with a continued focus on supporting children from disadvantaged backgrounds. In July, the Government committed to extend the funding of evidence-based early language interventions in primary schools, so that every child can find their voice. We will also drive up standards in early maths education and increase the quality of provision.

Following consultation, with strong support from the sector, we have published our response to proposals to strengthen safeguarding requirements in the early years foundation stage statutory framework. The Department will implement all the proposals, including those on safer recruitment, child absences, safer eating, safeguarding training and paediatric first aid training. Additionally, new proposals on providing employment references and supporting whistleblowing will be introduced. These changes are set to be implemented from September 2025 and will formalise existing best practices to ensure that all early years educators have the knowledge and support they need to deliver safe, high-quality early education and childcare.

I thank my hon. Friend the Member for Dudley for securing this important debate, and I thank all Members who have contributed. The Government will continue to work hand in hand with the sector to deliver an early years system that gives every child a firm foundation and sets them up for their next stages in life.

Question put and agreed to.

11.11 am

Sitting suspended.

NHS Winter Readiness

[SIR ROGER GALE *in the Chair*]

2.30 pm

Helen Morgan (North Shropshire) (LD): I beg to move,

That this House has considered NHS readiness for winter 2024-25.

It is a pleasure to serve with you in the Chair, Sir Roger, and I am grateful to have secured a debate on the crucial topic of preparing the NHS for winter. This is particularly timely on a day when the Government have delivered the Budget and outlined their priorities for the coming year, and indeed, the years after that.

We all know that due to the Conservative failure to protect the NHS, winter is a time when pressure on the NHS peaks. Every year, we suffer what we describe as a winter crisis. But for the millions of people stuck on waiting lists, the thousands of people treated in corridors and the legions of staff battling to keep people safe, it must feel like the winter pressure never ends.

I am sure we would all agree that the health and care crisis requires long-term action—improving public health, focusing on primary care, training and retaining more doctors, dentists and nurses, fixing the crumbling NHS estate, and fundamentally, finally addressing the crisis in social care. But while we wait for that action, winter is now looming. The clocks have gone back and time to prepare for winter has run out. I am here to find out what the Government are doing both to get the NHS through the upcoming winter and, following the Budget statement, to get the NHS ready for the winters to come.

I am aware that the Chancellor has just announced a £22 billion cash injection into the NHS, although further detail on that was scant, so we will put forward our ideas in this debate and hope that they come to fruition over the next few weeks. For the sake of staff and patients, it is crucial that winter crises become a thing of the past. We have reached the point where winter pressure is normal all year around. We should be striving for the reverse, where pressure is relieved and the forecasted crisis does not happen. I am pleased to hear some of the measures that the Government have outlined today, but I remain worried that fundamental issues are still being ignored—most crucially, the crisis in social care. Until that is resolved, we will not be able to fix the NHS.

So what is the state of play? Dr John Dean, the clinical vice-president of the Royal College of Physicians, warned that the latest NHS statistics show the health service

“is in an extremely concerning position as we head into winter.”

He is not alone in holding such concerns, for it has already been a really busy year for the NHS. In fact, it has been the busiest ever summer for A&E departments in England, with NHS staff managing 6.8 million attendances in just the past three months, according to a briefing by NHS England on readiness for winter. Last month, emergency departments had 2.2 million attendances—the highest such number for a September on record—with more than 38,000 people waiting longer than 12 hours after the decision to admit them. Meanwhile,

the weekly average of extra bed days for patients remaining in hospital beyond seven days due to delays in discharge was the highest since December 2022.

A look at my local hospital trust in Shropshire illustrates the situation well. In Shropshire, at the Shrewsbury and Telford hospital NHS trust, our bed occupancy rate is constantly around the 95% mark. That is not unusual; it has become the norm at acute hospital trusts up and down the country, and not just in winter, but all year around. Hospital staff constantly have to juggle resources to try to secure people the care they need. As the wards fill up, A&E becomes crowded and care moves on to corridors.

Every month, I am contacted by constituents who are shocked by what they have encountered in the hospital: being forced to wait for hours in pain on plastic chairs, or having their dignity taken away as they occupy a trolley in a corridor, in agony and in full view of the public. Many people remain unaware of how common that is until they find themselves with a loved one in that situation.

The “Dispatches” documentary filmed at Shrewsbury and Telford hospital trust earlier this year brought the reality home to the nation. The issues with hygiene and infection control were startling enough on their own—I am pleased that the trust is addressing those directly—but most stark was the human impact on the patients. Scenes included that of the elderly man who was forced to urinate while on a trolley in a corridor, in full view of staff, or the woman who cried out in agony for hours, with staff being left in despair at the terrible situation they were trying to deal with. That was not in the depths of winter; it was in April and May.

Corridor care takes a toll on patients and a huge toll on the staff who are forced to attempt to cope. However, the full scale and the impact of corridor care are unknown, because there is only patchy reporting on the level of care in temporary environments. As we seek to better understand and prepare for pressure in the winter, and all year round, will the Government consider mandating the recording and publishing of the number of patients receiving care in temporary environments, such as corridors? Honesty and transparency are key if we are to properly prepare for the winters to come.

Every month, more than 2,000 patients spend more than 12 hours in the A&E department at Shrewsbury and Telford, and one in every three of the many ambulances arriving outside have to wait more than an hour to hand over their patient—not in winter, but in every month of the year. Since April, ambulances have lost around 15,000 hours through waiting outside the two hospitals in Shropshire, and one poor patient was stuck in an ambulance in Shrewsbury for 15 and a half hours. As we have discussed many times, that keeps ambulances off the road, and has a knock-on effect on how long people who may be in life-or-death situations have to wait for help. This leads to situations such as the one in my constituency in April this year, where a carer was left alone performing CPR for 23 minutes while being told by the 999 call operator that no ambulance was available. Tragically, the victim died, and the carer who tried so hard to save her has been left traumatised—as, I would imagine, has the 999 call operator.

As I mentioned in the Chamber a couple of weeks ago, an 11-year-old in my constituency, Charlotte, has an adrenal deficiency that leads to her needing an

[Helen Morgan]

urgent injection of hydrocortisone if she has some kind of trauma. When that happens, she is logged as needing an automatic category 1 ambulance response. Recently, a car crash happened involving Charlotte and her mother, and when an ambulance was called for, they were told that none was available, and the family had to make their own way to hospital. That is not good enough. It is endangering lives.

The target for a category 1 response time is an average of seven minutes. So far this year in Shropshire, the average has been 11 minutes and 57 seconds. For a category 3 response, which still means that the person urgently needs an ambulance, the average wait is more than two hours, which is more than double the target time. That is not new, but it is very wrong, and it demonstrates the pressure already facing the health service as we head into winter.

Perhaps more worryingly, the situation in many areas this summer has been getting worse, rather than better. West Midlands Ambulance Service, which serves my constituency, described a

“significant, rapid deterioration of delays at hospital in September which has continued further in October.”

The service has been operating with the highest level of risk score for the past year. October is forecast to be the second worst month on record for lost handover hours, with the equivalent of 130 out of 600 ambulance crews in the west midlands being lost to delays every single day—and it is only October. That takes a huge toll on the mental health of the hard-working staff involved at every level. It also undermines staff retention, which will be crucial for any NHS plan, such as the 10-year plan or any winter plan to come. We must retain these experienced professionals; we cannot rely on recruitment alone to solve the staffing crisis in our NHS.

These wonderful staff have been stretched to breaking point by years of neglect and mismanagement by the Conservatives. Labour must do better, yet patients and staff are understandably fearful as we approach winter. According to a recent poll commissioned by the Liberal Democrats, one in four people in Britain have avoided calling an ambulance because they were frightened that it would take too long to arrive.

Of course, many pensioners are particularly fearful this year. Winter is a perilous time for older people, given the additional diseases that they might catch, and many will be more at risk after being denied the winter fuel payment for the first time. This will be the first winter without the payment being universal, and the annual uprating of the state pension will not make up the shortfall until next spring, which will be too late for people to pay their electricity or gas bill—and if someone in my constituency has to top up their oil tank now, it is too late for that, too. There is a danger, as happened when fuel costs increased two years ago, that people will reduce or turn off their heating entirely, with possible consequences for their health and a knock-on effect on the NHS.

So what are the solutions? First, we need to stop throwing money at the fire and instead prepare properly. As we all know, the most cost-effective cure is prevention in the first place. Over the past seven years, the Conservative Government announced an average of £376 million of

emergency funding each year to tackle the winter crisis, much of which arrived too late to make any meaningful difference.

The Liberal Democrats want to create a winter taskforce armed with a ringfenced fund of £1.5 billion for the next four years. That would be used to build resilience in hospitals, A&E departments, ambulance services and the discharge of patients, and allow integrated care boards and NHS trusts that are struggling to balance their books to plan their budget more effectively in advance to cope with the winter crisis. The taskforce would bring together senior leaders from the NHS and the Government, along with staff representatives, to ensure better co-ordination and preparation for winter. It would be empowered to deliver rapid changes in day-to-day operations to ensure a co-ordinated response—for example, by deploying more beds to certain hospitals or boosting social care capacity where it is most needed.

Tackling the issue of patient flow is the most fundamental aspect of steering our health system through this winter and the years ahead. If patients are to be treated on time, they need an ambulance to arrive on time, and that ambulance must be able to hand over its patient to A&E as soon as it gets there. If A&E is to have more capacity, we need to reduce the amount of people there in the first place through prevention and investment in primary care. We must make hospital beds available so that patients can be moved out of the A&E department and into the medical or surgical part of the hospital, as appropriate. If we are to move patients on when they are ready to go home, when they would be better served in their own home with the proper therapy, we must invest in social care and deal with its capacity issue, which is at the heart of so many of these problems.

Half a million people in England are waiting for care, stranded in hospital beds that are so important to free up over winter, and those in power have continually ignored social care for many years. I am extremely worried that the Government have not said an awful lot about social care in the Budget today. The additional money announced for local councils, £600 million of which is for social care, will presumably be gobbled up largely by the increase in national insurance contributions and the minimum wage. It is really concerning that those councils will not be able to meet their social care commitments in the future. We urgently need cross-party talks so that, between us, we can commit to a long-term solution to the crisis in social care.

Liberal Democrats believe that we should introduce free personal care along the lines of the model in Scotland. That would help people to stay in their own homes and out of hospital and ease the pressure on the NHS. We should pay for a fairer deal for unpaid carers and a higher carers' minimum wage, which of course, we saw some movement towards in today's Budget. We welcome that and look forward to the review of the cliff edge in the unpaid carers' allowance. Critically, a higher carers' minimum wage must be fully funded, because councils will be pushed over the edge if they are not given the money to support that, as will many small care providers, which provide the vast majority of paid social care in this country.

We need to ensure that people can see a GP when they need one, so that they do not end up adding to the overwhelming pressure on A&E departments. I recently

spoke to someone in my constituency who waited seven weeks for a telephone consultation. We must ensure that we focus on the outcome for the patient, which is why we would give everyone the right to see a GP within seven days, or within 24 hours if the need was urgent, and we need to increase the GP workforce by at least 8,000 to deliver that. As I said, it is crucial that that is done through retention as well as recruitment and more training.

We also need to reform the NHS dental contract and guarantee access to an NHS dentist for anyone needing urgent or emergency dental care, ending the dental deserts that exist in my North Shropshire constituency and the rest of the country. The biggest reason for a child to go into hospital is to have a tooth extracted, because their teeth are in such a poor state. That is scandalous, and I look forward to hearing what the Government will do to address that issue.

We also need to support community pharmacists, who are critical to the preparedness of the NHS, by making sure that everyone has access to the healthcare advice and medicines that they need. Pharmacy First is an excellent idea and helps to relieve the pressure on the NHS, but community pharmacists are closing at an alarming rate, and we risk that good idea going to waste. Are enough people being vaccinated against the “tripledemic” of flu, covid and respiratory syncytial virus, including staff? Analysis by the *Health Service Journal* showed that 283,000 fewer staff received a flu jab last winter than at the end of 2019, despite the number of frontline staff growing. If staff are not protected, fewer patients will be protected when they get seriously ill, and staff will not be able to go to work to treat ill people. Increasing the awareness of what is on offer at pharmacies and reversing the cuts to the public health grant to increase the health and fitness of people up and down the country are both integral to relieving pressure on hospitals and preparing the NHS for winters to come.

Stories and statistics from up and down the country show that the NHS was already under extremely severe pressure this summer. That has been the case throughout this year and last year. It is autumn now, so it is critical that the Government outline their plans to deal with the added pressure of the winter to come. More fundamentally, we need bold, long-term action so that winter crises become a thing of the past. We need to train, recruit and retain staff, and make them proud and happy, instead of tired and stressed, with them then leaving the system. We need to fix our crumbling hospitals so that money can be spent on care instead of fighting fires and draining floods. We need to invest in all aspects of primary care, including dentists, doctors, pharmacists and optometrists, as I reminded Members in the Chamber last week. Most crucially, we must confront the crisis in social care.

Earlier this week, the Secretary of State said that the Budget will arrest the decline in the NHS, but I am afraid that that is not good enough. The annual winter crisis costs lives, jobs and patient dignity. It also costs the taxpayer more than we can afford. We must invest now; we cannot afford not to do it. We must invest to save so that we have an NHS fit for the future.

2.46 pm

Jess Brown-Fuller (Chichester) (LD): It is a pleasure to serve under your chairmanship, Sir Roger. I thank my hon. Friend the Member for North Shropshire (Helen

Morgan) for bringing forward this important debate on a very busy day for all Members, given the Budget announcement in the Chamber.

Last winter was nothing short of a catastrophe for the NHS and everyone who depends on it. NHS figures show that, between November 2023 and March 2024, nearly three quarters of a million people endured A&E waits of more than four hours and nearly a quarter of a million waited for more than 12 hours. In west Sussex alone, there have been 25,000 cases of 12-hour A&E waits so far this year—a 36% increase on the same period last year. Those figures leave patients and staff in my constituency of Chichester deeply anxious as we approach another winter, especially given that we have had the busiest summer on record, with NHS staff managing a staggering 6.8 million attendances over just three months.

In many cases, being seen quickly is literally a matter of life or death, especially in acute and emergency settings. Rory Deighton, the director of the NHS Confederation's Acute Network, warned us that:

“Without immediate funding there is a very real risk the NHS falls into crisis this winter, with ambulance response and handover delays, overcrowded A&Es and people stuck in hospital beds because of a lack of community and social care.”

It is evident that many of my constituents in Chichester have lost faith in emergency health services. A recent poll conducted by the Liberal Democrats showed that one in four Britons has avoided calling an ambulance for fear that it will take too long to arrive. NHS paramedics, nurses and doctors consistently go above and beyond, and yet the system they are working in has stretched them to breaking point. Patients are bearing the consequences: they suffer each winter as the NHS crisis intensifies.

The Chancellor's Budget announcement today that a 10-year plan will be introduced in the spring will not address the immediate crisis on our doorsteps. It was disappointing to hear very little attention paid to social care, which we know causes a huge number of beds to be used in hospitals. We cannot fix the bed crisis by just buying more beds; we must invest in the workforce that supports those beds. We must ensure that, this winter, my constituents in Chichester do not sleep in corridors or wait in uncomfortable waiting rooms—an experience that is all too familiar for me because, last winter, my grandmother ended up in a corridor, after being admitted in agony, in full view of the public. That would be an incredibly distressing experience for anybody, let alone somebody suffering with acute dementia.

There is no point in throwing money at a leaky bucket if the funding will not get where it needs to go to address the issues across the healthcare system. In my role as Liberal Democrat spokesperson for hospitals and primary care, I have had the opportunity to meet professionals from across primary and secondary care and hear what they are calling for so they can successfully provide a service across the board this winter. They are asking to be able to plan, with budgets that have a shelf life longer than 12 months, and allow them to innovate for the future. Year after year, the previous Conservative Government resorted to spending hundreds of millions of pounds in emergency funds every year to manage the winter crisis.

That emergency funding was a short-term fix that often arrived in those hospitals far too late to address the problem, as my hon. Friend the Member for North

[*Jess Brown-Fuller*]

Shropshire pointed out. It was short-term fix rather than a comprehensive long-term plan to invest ahead of the crisis. Liberal Democrats have long called for a winter taskforce to oversee a dedicated, ring-fenced fund to build resilience for hospital wards, A&E departments, ambulance services and patient discharge pathways over the next four years.

I have no doubt that this will not be the last time we talk about NHS preparedness for winter. I fear that the Budget today will not have alleviated the concerns and fears of my Chichester constituents, nor those of the staff working in health care in my area. I urge the Government to use our ideas and prepare the NHS for not just this winter but future ones. We are ready to work constructively with the Government to that end.

2.51 pm

Jim Shannon (Strangford) (DUP): I am just chewing a sweet, Sir Roger; my apologies. It is a pleasure to speak in this debate. I congratulate the hon. Member for North Shropshire (Helen Morgan) on setting the scene so well. Today, we had some good news in the Chamber: that £22 billion will be spent on the NHS. The good news for us is that, through the Barnett consequentials, some of that will come to Northern Ireland. We do not yet know how much, but we are sure that some of it will come.

As the DUP health spokesperson, I join colleagues in expressing concerns for my constituents and their access to good health care this winter. Everyone has spoken about that; we cannot ignore the issue. We hope what the Government have put forward today is a helpful financial solution that will go some way to addressing the issue. I am aware that health is a devolved matter, but funding is not devolved, nor is the obligation of Government to implement their promised NHS reform throughout the entire UK.

When I asked the Secretary of State for Health about that reform, he was very clear in his commitment that everyone in the United Kingdom of Great Britain and Northern Ireland would see the benefits. I hope today is a step in the right direction. The Department for Health has released the preparedness document for last year. I welcome some of the impetus, such as strengthening the urgent and emergency care system to provide alternatives to emergency departments, including urgent care centres, urgent streaming services, rapid access clinics and the local phone first services.

The hon. Member for North Shropshire, who set the scene, referred to ophthalmology. It is important to include that because there are some questions along those lines. We had an event yesterday called "The eyes have it". As the party's health spokesperson, I try to go to as many health events as I can in the House of Commons. Those attending outlined a number of things they wish to see. Perhaps the Minister can give us some ideas on how we can improve ophthalmology across the United Kingdom.

I welcome the £3.4 million funding provided to general medical and out of hours services, to support GP practices to increase their capacity in light of the anticipated increase in demand over the winter. A figure of £4.3 million has been provided to support GP practices across Northern Ireland to provide proactive support and care to those

in nursing and residential care homes. That is again an example of what can be done. I will mention some of the other positive things. I am hopeful that some of the extra money allocated to the NHS today by the Chancellor will filter its way towards Northern Ireland.

The hon. Member for North Shropshire referred to the ambulance service. The Northern Ireland Ambulance Service is increasing its range, capacity and clinical expertise at the ambulance emergency control to help ensure that cases are appropriately managed, without time delays. The enhanced hospital capacity, with 45 beds opened for last winter in my local Ulster hospital, will continue to be funded. Those are some of the good stories and news.

Another is the rolling out of the Pharmacy First pilot service for uncomplicated urinary tract infections in women aged 16 to 64 years. That will expand the current pilot of 62 community pharmacies to the entire pharmacy network of some 500 pharmacies right across Northern Ireland through an investment of £410,000. Again, money is being allocated in the right places to do the right job, which will hopefully make lives better. Over the winter period, it is estimated that this will deliver 12,000 consultations, freeing up capacity in GP practices.

The whole idea of the Pharmacy First pilot service was to ease pressure on GPs, and I know the Minister has always been committed to that. There are good things that can happen, and hopefully after today even more good things will be able to happen. Some £265,000 has been allocated for a new Pharmacy First sore throat test and treat service, which is being piloted this winter. When winter comes, there are colds, flus, sore throats and days off, and everyone rushes to the GP. This will reduce the impact on GPs. These good schemes can be of overall benefit to the NHS. The sore throat service will be piloted in 40 pharmacies, and it is estimated that 8,000 consultations will be delivered this winter, which is good news.

All these measures were welcomed, but none brought the result of an NHS that was prepared last winter. Indeed, that has increased my conviction that we are in a more difficult situation this winter and that the pressure on the NHS cannot be relieved by these small measures. If the Minister can, will she say how the moneys announced by the Chancellor today will be allocated and how that will improve the NHS's response to this winter?

We need GP practices to be able to refer their patients for an MRI and know that they will be seen in reasonable time, rather than making the referral and then telling the patient to go and spend the day in A&E to get the MRI. Such small but significant things would make a difference and improve the service overall. GPs also tell me that they do not trust the red flag system and that A&E is turning into that red flag system for tests. How can we blame GPs for trying to ensure that they do not miss anything and for using the system in this way?

We need more capacity for MRIs, CAT scans and mammograms, and we need more trained radiographers. One of the things announced today was a significant investment in radiography, but when it comes to allocating the funds we must consider the need to ensure that we recruit and retain radiographers. The Minister may not have the answers to these questions, but does she know what has been done to train more radiographers and improve our NHS?

As a result of there being too few radiographers, 188,881 people in Northern Ireland—nearly 10% of the population—are waiting for a diagnostic test. The wait means that treatment such as radiotherapy is delayed and cases become more complex. That is the nature of having a health problem; people should get seen early and respond early. For some patients, even a two-week delay can mean the difference between life and death.

This long-term issue needs a long-term vision. That is why I am asking the Minister to take seriously schemes that would encourage our intelligent and capable young people to train here and stay here. I have been a great advocate of this and have raised this issue on numerous occasions over the years. We want these young people to train here and stay here with their skills. University bursaries or forgiveness of student debt in return for a period of employment in the NHS would be a positive way forward. Could the Minister look at that too?

Young people go into debt very early on and find it hanging over their shoulders for years to come. If we offer them a job in the NHS and they commit to staying, we can improve things. We have incredibly capable, intelligent British students, and we need to invest in their long-term careers in the NHS and allow them to work alongside junior doctors. We must prepare them for the marathon of NHS life rather than give them sprints that they cannot sustain. We should get the system moving in that direction. I believe that there is work to do not simply for this winter but for every day of the winters yet to come.

2.59 pm

Steff Aquarone (North Norfolk) (LD): It is a pleasure to serve under your experienced chairmanship, Sir Roger. I congratulate my hon. Friend the Member for North Shropshire (Helen Morgan) on securing this vital debate. Our rural constituencies share many similarities, and the NHS winter crisis will be as great a source of concern for her constituents as it is for mine. She may or may not have noticed that she was speaking at the same time as the leader of the Liberal Democrats, my right hon. Friend the Member for Kingston and Surbiton (Ed Davey), was in the main Chamber. I am grateful to the Minister for attending the debate at the precise time that her colleagues are responding to my right hon. Friend's questions. This debate could not be more timely, given the context of today's Budget and the winter we are rapidly heading into.

As I hope many Members will know, North Norfolk is proudly the constituency with the oldest demographic in the country. That means that when our NHS struggles, North Norfolk is acutely vulnerable to its effects. I pay tribute to the hard work going on in Norfolk to prepare for winter in our health services. Our GP surgeries and community nurses are working day in, day out to deliver flu and covid vaccinations for thousands of eligible residents. I encourage anyone eligible who is yet to take up their free vaccinations to contact their GP and do so. That work is vital to building the resilience of our communities ahead of the cold winter months, and I know that local residents are incredibly grateful for it.

We are once again heading into a difficult winter. In my constituency we have historically had some of the longest ambulance waiting times in the country. In towns and villages such as Blakeney, Cley and Wells-next-the-Sea, people are subjected to appalling and

unacceptable wait times for urgent calls. Nationwide, people are fearful of the crisis, with recent polling stating that one in four people have avoided calling an ambulance because they are worried it would take too long to arrive. This cannot carry on.

To ease the pressure on our hospitals this winter, we need people to be able to leave acute settings when they are ready, and to keep well enough to avoid going back in. To add to what my hon. Friend the Member for North Shropshire said about delayed discharges of care, that is yet another reason why I find myself completely baffled by the decision of the Conservative-led Norfolk county council to close the Benjamin Court reablement facility in Cromer. I declare an interest as a sitting Liberal Democrat member of that council.

The Benjamin Court facility helps to bring people back into the community, enabling them to recover in a more familiar setting. We know that convalescence works, reducing readmittance and enabling people to spend more time with their families as they recover. The integrated care board for Norfolk and Waveney says it wants to place a greater focus on recovery at home. I appreciate that may work for some, but it will not work for many. I am working alongside the campaign to save Benjamin Court to secure the future of the facility. I would greatly appreciate it if the Minister could take the time to meet me and representatives from the campaign to discuss why that vital service must be maintained.

Winter exacerbates one of the major challenges for people in North Norfolk accessing healthcare, which is our inadequate rural public transport. Wintery conditions and car reliance do not mix well; that is the reality that will present to many if they have an early morning appointment at one of our hospitals. People are faced with multi-hour round trips when using rural buses, and limited times when they could make an appointment, let alone the impact that any winter-led delays will have on their plans. To improve my constituents' access to healthcare, we must also improve their access to public transport.

I fully support the Liberal Democrat plan to winter-proof our NHS, and a winter taskforce with ringfenced funding will go a long way to building the resilience that we need in North Norfolk. We cannot keep lurching from crisis to crisis each winter, stuck in one of the doom loops that the Chancellor spoke about before the Budget. We need to see a change of approach, a funding settlement that is proactive and not reactive, and an NHS that can fully support people across North Norfolk all year round.

3.4 pm

Richard Foord (Honiton and Sidmouth) (LD): It is an honour to serve under your chairship, Sir Roger. I, too, pay tribute to my hon. Friend the Member for North Shropshire (Helen Morgan) for securing and speaking in this debate on a day when she, as the Liberal Democrat health spokesperson, has a lot else to do.

As we face another winter, our NHS is under severe strain. In east and mid Devon, where I am from, the situation is all too apparent. We have five community hospitals across Axminster, Honiton, Seaton, Ottery Saint Mary and Sidmouth, where we see hard-working staff do their absolute level best to deliver a whole range of vital services, such as audiology, X-ray and rheumatology.

[Richard Foord]

The hospitals have had their services reduced or even removed over time, which has led to the overburdening of the large acute hospitals.

The unfortunate reality is that the NHS is struggling in terms of acute hospitals like the Royal Devon and Exeter hospital in Exeter. The statistics in the south-west from last winter illustrate that well. Across Devon, 33% of patients in A&E waited more than four hours in February last winter, which is well above the national average. That means that rather than ambulances being out in the streets and lanes saving people's lives, they spend 30 minutes or more waiting in queues outside, with 31% of ambulance arrivals at the RD&E last winter unable to offload patients in a timely manner. That might suggest to some that we need to put more money into ambulances and acute care, but that is not borne out in the research as the exclusive solution to the problem.

A King's Fund report recently found that the failure to grow and invest in primary and community health and care services ranks as one of the most significant and long-running failures of health policy over the past 30 years. Today, we heard a Budget from the Government that pledges more funding for the NHS; we worry about what that might mean in respect of the absence of support for social care. Because the system is reactive, we spend increasing amounts on acute hospitals and crisis response rather than on the proactive primary and community care that could reduce hospital demand in the first place. That imbalance means that funding is funnelled into hospitals, where people go once they are very ill, and it leaves the community services that could prevent crises unable to do the preventive work they should be doing.

Our community hospitals in places like mid and east Devon are proof that effective healthcare is not just about big hospitals. I would like to see localised, specialised care that prevents and treats issues early and close to home. Community hospitals should offer more than just treatment; they are also about routine check-ups and screenings. They are places that people go to manage chronic conditions and to receive other ongoing care.

I stress that we have excellent healthcare staff in Devon—in the community hospitals, in primary care, in GP surgeries and in the acute hospitals—but year after year they are asked to do more with less. With more community-based teams, working closely with social care providers, we could avoid many of the delayed discharges we see in the acute hospitals. More than one in eight acute beds in England is essentially blocked, with 14,000 patients clogging the system. I do not mean to put it in those terms—I know that individuals filling acute beds because they are unable to be discharged sometimes feel like a burden, and I do not want that to be the case—but the fact of the matter is that there are acute beds that could be released for other needy patients.

Winter brings respiratory infections, flu and respiratory syncytial virus, all of which hit the elderly, the young and those with long-term health conditions the hardest. Flu vaccine uptake in the south-west is not where it needs to be, at only 46.5% last winter, and I urge people with long-term conditions to get vaccinated. When flu and other winter illnesses surge, the community health services and facilities can pick up some of the slack and reduce some of the pressure on hospital beds.

If we can shift to a focus on community help, it will be about preparation. I know it is challenging—it must be, or we would have done it in the last three decades—but we now need a concerted effort from national and local leaders to support that shift and support people in managing their own health before they are in crisis, so as to relieve the pressure on acute hospitals.

3.10 pm

Dr Danny Chambers (Winchester) (LD): I thank my hon. Friend the Member for North Shropshire (Helen Morgan) for securing this timely debate.

In Winchester, the NHS is the No. 1 issue for nearly everyone, and it will be the same for the rest of the country. Patients and staff are aware that we have a huge challenge every winter. Hospital managers and chief executive officers must be so frustrated that they have to face that challenge every year. From what I understand, having spoken to quite a few hospital managers and CEOs of hospital trusts, over the last few years, at about autumn time, they have applied for extra funding to deal with what will be a winter crisis, and by about November they have heard whether they will receive it and how much they will get. They have then received the money by about January, when we are already halfway through the winter, despite the fact that winter comes every year and we know that there will be a winter strain on the NHS.

In the spirit of constructive opposition, I will talk about four issues that we should consider when it comes to future winter challenges. The first, as has been mentioned by nearly everyone, is social care. In the Hampshire hospitals foundation trust, there are between 160 and 200 people at any given time who are well enough to go home but do not have anywhere to go, often because of the lack of social care packages. We have talked about the flow through hospitals; if A&E cannot take patients into hospitals because the beds are occupied, ambulances end up queuing outside hospitals, and the knock-on effect is a huge delay in ambulance response times.

My hon. Friend the Member for Chichester (Jess Brown-Fuller) mentioned that one in four people now worry about calling an ambulance over the winter because they are worried that it will be a long time until it arrives. The frustrating thing is that providing social care packages is more cost-effective than keeping someone in a hospital bed, so while not having social care packages in place so that people can be moved out of hospital in a timely way is not good for patients, it is not even cost-effective for the taxpayer.

Nearly every speaker has brought up primary care: everything from doctors and dentists to mental health and public health. Some 22% of the people who arrive at a typical A&E are there because they cannot get a GP appointment. People are turning up with tooth root abscesses, and often end up needing general anaesthetic to sort out dental problems that could have been avoided had they been able to get an NHS dentist.

Desperate mental health patients, who are often already on a waiting list, walking into A&E take up a huge amount—up to 30%—of an A&E department's time and resources. People wait years after being referred for mental health care by their GP and then end up in

A&E, taking up time and resources during the winter crisis. That is not a good use of taxpayers' money, it is not good for the patients, and it is hugely stressful for the staff. It is always more cost-effective to keep people healthy in their community and treat them early than to treat them in A&E. It is not the place for people in a mental health crisis, people with severe dental issues, or people who just cannot get a GP appointment.

My hon. Friend the Member for North Shropshire mentioned vaccination and when we talk about public health, we talk about prevention and cost-effectiveness. Vaccines are the single most cost-effective health intervention that has ever been developed throughout the world for pretty much any disease, but it is concerning to hear that the number of NHS staff being vaccinated is dropping. That is dangerous both for their health and for patients' health. We should certainly examine and unpick that, and try to explore why the number of NHS staff taking the flu vaccine has gone down. We need to engage with them to give them the confidence to take the vaccines as well as access to them to ensure that we have as high a vaccination rate as possible.

My hon. Friend the Member for North Shropshire also mentioned this, and we need to act in our communities because of flu, covid and RSV. The situation is always worse in winter. We know that it will be worse and the risk of immunocompromised people turning up to a hospital and waiting in an A&E department, surrounded by other patients who are infectious because they have not managed to get a vaccine, is a huge issue.

The hon. Member for Strangford (Jim Shannon) talked about pharmacies and community care, which are a huge part of the jigsaw in making vaccinations available to the general public. Local pharmacies need all the support that we can give them to ensure that they are open at convenient times—and that they stay open, because a lot of pharmacies have closed. Ideally people—especially vulnerable people—should be very close to a pharmacy so they can get the vaccinations that they need.

Finally, every other Liberal Democrat Members who spoke today talked about the Liberal Democrat winter taskforce and how we would really appreciate the Government looking into our proposals seriously. We are spending the money in bit-pieces every winter anyway, so we should have a much more joined-up and long-term plan about how we deliver healthcare over the winter and ease the pressure on our hospitals. That would be hugely beneficial.

I pay tribute to NHS staff. I imagine that they dread winter coming. This is the time of year when they will be bracing themselves, knowing that they will be busier, knowing that they will be working without the right resources and knowing that some of them will get sick with flu, covid and all the other diseases that come in. We thank them for putting their health at risk and for putting in their time and expertise to look after our health. As the Liberal Democrat mental health spokesperson, I acknowledge what a drain it must be on their mental health to work in such situations.

Finally, I have a question for the Government. We know that winter will come every year; it will come next year as well. What are we doing to ensure that we do not have a planned crisis in the NHS next winter?

3.17 pm

Saqib Bhatti (Meriden and Solihull East) (Con): It is a privilege to serve under your chairmanship, Sir Roger, and I thank the hon. Member for North Shropshire (Helen Morgan) for securing this debate on what is an important day.

As the hon. Member for Winchester (Dr Chambers) has, I pay tribute to NHS staff who are dealing with significant demands in urgent and emergency care, which are particularly acute in a post-pandemic world. In the time that I have available, I will press the Government on the actions they are taking to increase vaccination uptake and to make use of available private sector capacity. Vaccination was the key to protecting the population from covid-19 and to ensuring that the virus could be managed and contained like other respiratory illnesses. Delivering the successful vaccination programme was one of the many benefits of leaving the European Union, which was a cause championed by the previous Government.

We must continue the push to protect the most clinically vulnerable and to reduce hospital admissions for RSV, flu and covid-19. I welcome the national RSV vaccine programme that was launched earlier this summer, and I would welcome an update from the Minister about the uptake of that vaccine among eligible groups.

I am concerned by recent data that shows that the uptake of the flu and covid-19 vaccines among eligible groups is lower compared with the same time last year. Figures on the uptake of the flu vaccine in the week commencing 20 October 2024 showed that the vaccination rate was 48.2% for all those aged 65 or over, which is lower than it was in October 2023. That means the picture for those people is worse. In the clinical risk group, only 20.8% of people had been vaccinated, which again is a worse uptake rate than that for last October. Given these worrying figures, what actions will the Government and the NHS take to promote vaccinations among eligible groups, particularly those at greater clinical risk?

As other hon. Members have stated, many NHS hospitals and secondary care settings are working at close to full capacity. For that reason, we must maximise the use of private sector hospitals and other facilities to reduce the pressure on the national health service. *The Telegraph* recently reported that private health providers have written to the Chancellor and the Health Secretary to propose a major expansion in the use of private sector facilities and staff for NHS treatment. It was stated that private sector investment could help build diagnostic capacity and,

“develop new surgery units and intensive care facilities.”

If I am not mistaken, the Health Secretary has spoken about the use of private sector facilities, so will the Government support the proposals, which would see an extra 2.5 million patients treated in private hospitals with the potential to cut NHS waiting lists significantly?

As we are talking about waiting lists in the winter, I want to turn to the winter fuel allowance, which is being cut. What is the Government's assessment of the impact and pressure on hospitals from the withdrawal of the allowance? I believe that the Labour party put out an analysis back in 2017 stating that 4,000 people would be at risk of death from such a withdrawal. Can the

[Saqib Bhatti]

Minister clarify whether that analysis is still correct and what the thinking is in the Health Department in response to the withdrawal?

During the winter months, protecting bed space for elective treatment is particularly important for keeping waiting lists down. That is why we must also build on the capacity provided by community diagnostics centres and surgical hubs in recent years. The previous Government invested £2.3 billion to establish CDCs, which represented the largest cash investment in MRI and CT scanning capacity in the history of the national health service. In addition, the Independent Health Foundation has highlighted the positive impact that surgical hubs made in reducing waiting lists and increasing bed capacity. Despite their impact, Lord Darzi's report on NHS performance made no reference to the role of CDCs and surgical hubs in helping to reduce waiting lists. On expanding the network of surgical hubs, and bearing in mind that the Budget is taking place in the main Chamber, it would be helpful to get some clarity on where the additional funding will be spent. Will the Minister commit to having more surgical hubs so that more patients across the country can access elective care quicker?

Will the Minister also commit to expanding the network of CDCs, which have delivered more than 7 million tests, scans and checks since 2021. The last Government supported national health service trusts to increase elective activity after the pandemic, particularly through the elective recovery fund, which reimbursed trusts for the operations they delivered. However, earlier this month the *Health Service Journal* reported that Ministers were considering whether to pause or cap the fund. At the election, Government Ministers stood on a manifesto that pledged to reduce waiting times for elective care, such as on hip and knee replacements, to 18 weeks by the end of the Parliament. Pausing or capping the elective recovery fund will surely affect the Government's pledge to cut waiting times and risk placing further pressures on national health service finances. I am sure NHS leaders would greatly appreciate the Minister providing clarity on that point, so can she rule out the elective recovery fund being capped or paused this year?

To finish, as has already been said, I want to encourage anyone who is eligible to make sure they go and get vaccinated in advance of this winter.

3.23 pm

The Minister for Secondary Care (Karin Smyth): It is a pleasure to serve under your chairmanship, Sir Roger. I thank the hon. Member for North Shropshire (Helen Morgan) for securing the debate and hon. Members for taking part.

We have all just rushed from the main Chamber and I think I am the only person here who has come out enthused and excited after what we heard about the massive support offered—particularly for the NHS. It is the first Labour Budget delivered after the 14 years of the coalition and the Tory party's time in power, and it lays the foundations for fixing our economy.

Just in case people did not clock all the figures, there will be £22.6 billion in day-to-day extra spending on the health budget, including a £3.1 billion increase in the capital budget, £1 billion of which helps address the backlogs of repairs that have been allowed to fester

over the past 14 years. There is also an additional £1.5 billion for beds, new capacity for diagnostic tests, surgical hubs and diagnostic centres, to address the key point made by the hon. Member for Meriden and Solihull East (Saqib Bhatti). Let us take some of that funding and not just stop the decline but fix the foundations, setting the path for the next 10 years, as we have clearly articulated in the few weeks that we have been in government. When I speak to my constituents in Bristol South, they are most concerned about the NHS spending every penny of taxpayers' money wisely, properly and where it needs to be focused. That is why we have concentrated on our three shifts and launched this national conversation—I hope everyone takes part.

We all know the problems, and that is what Lord Darzi helped us address. We also know that winter is a difficult time for our health and care system. Although we cannot predict the severity of the weather, we can predict much of the activity, we know what is likely to hit us most of the time, and we can certainly plan better. I remember working on the issue as a NHS manager back in the day, across primary, community, and secondary care, as well as with ambulance services and local authorities. A systems response is needed, and it is important that we are all involved in preparing and planning.

I also remember just how demoralising it was for staff in the early 2000s, coming into work every day to fight fires and sort out the awful trolley waits—not to mention how unacceptable that was for patients and families. The point about the impact on staff's mental health and morale was well made by the hon. Member for Winchester (Dr Chambers). I also saw, and was proud to be part of, the changes we made under that Labour Government to end those trolley waits, and we will do that again. That is what Lord Darzi's report shone a searing spotlight on, including the chronic lack of capital investment that has put many hospitals into a perpetual bed crisis, particularly during peak periods such as winter cold snaps.

While we have inherited a broken NHS, it is not beaten. As we have just heard from the Chancellor, this Government have taken the first steps towards fixing the annual crisis with new capital investment. However, one Budget cannot undo the last 14 years of failure, so while we fix the foundations we are also mitigating the immediate risks. At the very least, going into this winter we will be better prepared than we were last winter. That is because the managers in the NHS will be preparing for winter rather than planning for strikes, which is what they had to do the last three years—already a significant improvement.

The health service does face challenges on all fronts, and the figures are sobering. We have heard some of them today. In September, provisional statistics showed that almost one in 10 A&E patients waited over 12 hours to be admitted, transferred or discharged. The mean category 2 response time in September stood at about 36 minutes—around double the NHS constitutional standard. I recently attended a meeting where officials highlighted the number of attendances requiring admissions are already up by 1.8% in September compared to 2023, which is continuing to place increased pressure of patient flow. Those are the results of deep structural issues in the NHS that will not be fixed overnight. But work is already under way to rebuild resilience and manage pressures across the health and care system this winter.

I will come on to the specific work being done, but I assure hon. Members that the Government are taking the issue extremely seriously. I am already meeting senior leaders in NHS England and the UK Health Security Agency every two weeks to ensure that the risks can be identified quickly and that pressures are managed effectively. Once the peak winter period hits, the meetings will move weekly and include the Secretary of State.

Local NHS systems are best placed to determine how to respond to issues in their local area. That is why NHS England has worked with local systems to ensure robust winter plans are in place at a local level. As someone who knows exactly what is involved in that planning, I pay tribute to the staff for their skill, motivation and commitment to protecting every patient this winter.

Jim Shannon: There is no better choice the Government can make than committing that money to the NHS—we all welcome that. Anybody who does not would be insane. I always try to be constructive in my contributions. I asked about staffing and made the suggestion to retain students wherever they do their training. Sometimes they come to the end of it and go somewhere like Australia or New Zealand to get a job. Instead of that, if Government were to consider a bursary-type system to retain the staff, I think we would be able to address some of the pressure that we have.

Karin Smyth: I will come on to staffing to address some of those points. The hon. Gentleman makes an excellent point about staff recruitment and retention, which is a key part of our future look at the system.

On winter planning, the Government should not be micromanaging people in local systems as they do their job. Rather, we need to focus our efforts on where they are needed the most. Notwithstanding the excellent work of individual staff, let me repeat: the NHS is broken. None of us should underestimate how difficult this winter could be, but we are taking immediate steps to cushion the blow. First, we have set out our national winter planning priorities to NHS systems, local authorities and social care providers to support operational resilience over the coming months. Secondly, we are standing up the winter operating function seven days a week to respond to pressures in real time.

Thirdly, we are expanding the operational pressures escalation levels framework to give us a clearer picture of what is happening on the ground in all our systems. The framework uses comprehensive data to keep track of hospital pressures, and this year we are expanding its scope to mental health, community care and 111. Fourthly, we are continuing to support systems that are struggling the most through the urgent and emergency care tiering programme. Those are direct interventions to help systems get back on their feet and make the necessary improvements in performance.

Fifthly, we are providing targeted, clinically-led support to 19 of the most pressured hospital sites across the country, to help long waits in A&E and avoidable admissions over winter. Those measures are in addition to the aforementioned meetings that I hold with NHS England and UKHSA every fortnight. I am chairing every one of those meetings to ensure that we identify risks as soon as they arise, while supporting NHS England to mitigate them.

The party of the hon. Member for North Shropshire has called on the Government to set up a winter taskforce to prepare for an NHS winter crisis. Some might describe what we are doing as a taskforce; I actually think that is my job and the Secretary of State's job, which, as I have outlined, is why we meet regularly with NHSE. I know that the hon. Member and others are sincere in their efforts to be constructive. I am happy to take away any specific suggestions about what we are not doing to help the NHS, because we all want the system to work well.

Dr Chambers: There has been no mention of increasing social care packages. Today, I spoke to the CEO of Hampshire hospitals trust, which runs Winchester hospital, and she said the single biggest thing that would make a difference over winter for that hospital, and probably every other one in the country, would be increasing the number of social care packages and ensuring that those well enough to leave hospital can be treated and cared for elsewhere. Why is that not the main focus of the winter measures that the Minister is talking about?

Karin Smyth: I will come on to social care, but I will make the broader point that every system is different, and the pressures in every system are different. Some systems suffer worse from poorer levels of primary or community care. Others, particularly those across borders, struggle with discharges and packages of care. One thing I am keen to do, and we are doing it, is try to understand the different drivers of performance in different parts of the system. I think we all have a role to play in that.

I very much support constructive advice from local Members of Parliament, in consultation with their local trusts, about the real drivers in their systems, because we know that some systems are performing much better. We as a new Government want to address that issue, to ensure that taxpayers' money is being directed to the best place to make the system work better. That is something for the hon. Member for Winchester to take back. The flow is affected for different reasons in different parts of the system.

Several hon. Members have mentioned vaccinations. A key part of winter planning is the annual vaccination campaign, which began on 3 October. I thank the hon. Member for North Norfolk (Steff Aquarone), the hon. Member for Winchester and the Opposition spokesperson, the hon. Member for Meriden and Solihull East, for mentioning their support for vaccination programmes, which is absolutely welcome.

People talk about verifying the figures, but my understanding—I am happy to be corrected—is that we cannot verify the actual figures now. We have started different vaccination rates at different times, so the figures are not directly comparable. We will not really know that until the year works through, which I think people understand. It is too early in the vaccination season to draw firm conclusions, but we all have a role to play in driving and encouraging people to uptake vaccinations across the piece. I recently visited a local hospital in my city of Bristol which has staff hubs and encourages staff to go into the clinics. All Members' efforts to help with that is really helpful. Vaccination programmes play an essential role in protecting people, particularly the elderly, children and the clinically vulnerable from serious illness during the winter months and in relieving pressures on hospitals and the wider system.

[Karin Smyth]

Data from the UK Health Security Agency shows that last year people who received a covid vaccine were around 45% less likely to be admitted to hospital compared with those who did not receive one. That is why we are delivering our usual campaigns for covid and flu for the clinically vulnerable in addition to the RSV work that is going on.

With regard to elective activity, for patients who are referred to a hospital we want to do everything we can to bring down waiting lists, which stood at over 7.5 million in August. The NHS is prioritising patient safety, urgent and cancer care and will continue to do its best to maintain appointments and elective procedures by separating elective care facilities and diagnostics wherever possible. In the longer term, we are going to return to 92% of patients waiting no longer than 18 weeks from referral to treatment in our first term, a standard that has not been met consistently for patients for a decade.

Our hospitals do not operate in isolation. Improving resilience across the whole system, including social care, is essential to winter planning. On 17 September we wrote to all local authorities setting out our priorities for improving resilience across social care ahead of winter, emphasising the importance of close partnerships and joint planning between the NHS and local authorities. We want people to have fair access to locally delivered services that start at home and support them to live independently for as long as possible. That will include building bridges between the NHS and social care services, getting people home from hospital as soon as they are ready, and providing much-needed support to families and friends who are involved in a loved one's care. We will also work to ensure that people are not stuck in hospital beds when they are well enough to go home.

We cannot forget that the backbone of social care is carers. We have made it clear to all local health and care systems that they must continue to support people providing care for their family and friends throughout the winter. I am sure all hon. Members will join me in supporting the Chancellor's Budget announcement today to support our carers more widely. We want to make sure that carers can access the support they need to look after their own health and wellbeing, not just that of the people they care for. The better care fund includes funding that can be used for short breaks and respite services for carers. The Government are clear that people who draw on care and support, and their families and carers, should be closely involved in decisions about their care. However, in the long term we clearly need reform. That is why the Secretary of State has called for a new national consensus on social care.

The Government are committed to building a national care service. My hon. Friend the Minister for Care is introducing the first ever fair pay agreement for care workers. Again, we have seen today our commitment to further support carers with improvements to carer's allowance. That is a start, but we know we have a long way to go.

We are working radically to reform the NHS through the 10-year plan, building a health service that is fit for the future and ready to face every winter confidently. Lord Darzi gave us the diagnosis; the cure can be found in shifting the NHS from treatment to prevention, hospital to home and analogue to digital. That is why

last week we launched an extensive engagement exercise with the public, staff and stakeholders to inform that plan. Some right hon. and hon. Members might be keen to see some of the public's wilder ideas, perhaps, but alongside some of those we have already had many considered and thoughtful responses, and we look forward to outlining our specific plans in the spring.

With regard to the point made by the hon. Member for Strangford (Jim Shannon) about individual training and bursaries and the large number of suggestions about the important issue of recruiting and retaining our staff, we will look closely at the long-term workforce plan—we are already doing that. We are open to suggestions. We need to build a workforce for the future that lines up with our three shifts. It will be a tough process to get right and to keep up with modern technology, but all those ideas will inform that.

I commend the hon. Member for North Shropshire for securing the debate today and colleagues for shining a spotlight on the difficulties that our constituents face. I hope colleagues are reassured. As someone who has worked on winter planning in the NHS, I am fully aware of the challenges that we face. That is why we have taken a strong grip of it from the get-go. I know we cannot go on as we have done for the past 14 years, limping from one winter crisis to the next, improvising and making do with sticking plasters. The Government are winter-proofing the NHS with long-term reform, but until that day we will put every hand on deck to tackle the problems as they arise this winter.

3.39 pm

Helen Morgan: I thank you, Sir Roger, the Minister, the shadow Minister, all my Liberal Democrat colleagues and the hon. Member for Strangford (Jim Shannon) for coming to this debate on a very busy day. I am grateful for all their contributions, which were positive and constructive, as always. I thank the Minister in particular for her comprehensive response. It is reassuring to hear that she has considerable expertise in this area.

We welcome the investment that was announced in the Budget, including significant investment in day-to-day NHS spending, capital investment and investment to deal with the repairs backlog, which needs urgent attention. We called for the Government to address the backlog in our general election campaign, because we recognise its importance. However, the very nature of the Budget statement means that we have been a bit light on detail today, and that is why we want to provide constructive opposition and ideas to move this forward.

I reiterate my concerns about social care. Little was said about it today, but many social care providers are small businesses that will be heavily impacted not only by the increase in the minimum wage, which is welcome for carers, but by the increase in employer national insurance contributions. We risk a real crisis in those companies and in local government budgets, which are perilously stretched, if we do not have a plan to fund those carers and their wages. I leave the Minister with that thought, and thank everybody for attending.

Question put and agreed to.

Resolved,

That this House has considered NHS readiness for winter 2024-25.

3.41 pm

Sitting suspended.

COP29 and International Climate Finance

4 pm

Ellie Chowns (North Herefordshire) (Green): I beg to move,

That this House has considered COP29 and international climate finance.

Thank you very much for calling me to speak—do I refer to you as Mr Speaker?

Sir Roger Gale (in the Chair): Sir Roger.

Ellie Chowns: Thank you, Sir Roger—I am still learning the ropes. I thank the Minister for coming to respond to the debate. It is my pleasure to introduce this debate on international climate finance, and I particularly appreciate the presence of so many colleagues, given that it is an extraordinarily busy day when, with the Budget, we are discussing domestic finance. I may have one or two words to say on that in a moment.

This debate is particularly important, because we are in the run-up to COP29—the conference of the parties—in Baku. It is supposed to be the finance COP, because it is crucial that we mobilise the necessary finance to tackle the global climate crisis. My purpose in securing this debate is to encourage the Government to put a bit more flesh on the warm words that we have heard so far. I recognise those warm words: for example, the Foreign Secretary saying that he wanted to put climate change “at the centre” of foreign policy—that is welcome—and the commitments from the Secretary of State for Energy Security and Net Zero on domestic investment. However, there is still much more to do.

I will give the Minister advance notice of the topics on which I would love her response. At COP29, we are looking for the international community to agree a new collective quantified goal for climate finance in the trillions of dollars, not the billions. That is the scale of the challenge that we face. Do the Government recognise that, and are they prepared to play their part in leading from the front to ensure that there is collective commitment to the goal?

International climate finance needs to tackle mitigation, as well as the urgent need to invest to reduce emissions of greenhouse gases. It needs to tackle adaptation, because an enormous amount of global warming is already built into the climate system through historical emissions. It also needs to tackle loss and damage: the costs that are already being borne particularly by the most vulnerable in the poorest countries, and are due to the historical debt that early industrialising countries built up through our burning of fossil fuels.

Bambos Charalambous (Southgate and Wood Green) (Lab): For some low-income countries, one of the biggest factors is debt through private creditors, which I think is greater than the other debt that a lot of those countries owe. Does the hon. Lady agree that the matter of debt owed to private creditors must also be addressed to tackle the need for more funding for climate emergencies?

Ellie Chowns: The hon. Member raises an important point. There is a history of multilateral and bilateral efforts by Governments to tackle debt crises, and there is a role for government to play in regulating the private

finance sector to prevent vulture finance, effectively, from preying on countries in that way. There is a key need for international co-operation to address that issue, because the lenders are from all over the world. If a country has debt relief through one process, it is crucial that it does not then find itself stuck in a debt crisis in relation to another lender. I would be glad to hear the Minister's proposals on debt relief.

My third point is that it is essential that international climate finance comes largely in the form of grants, not loans. The UK Government generally have a good record: roughly 85% of the climate finance we have committed has been through the form of grants, and I believe that commitment is in place until 2026. Will the Minister commit to that figure remaining a floor? Will she seek to increase it, so that the vast majority of climate finance is provided in such a way that it does not build up debt repayment problems for the future?

Sam Rushworth (Bishop Auckland) (Lab): I welcome the point the hon. Lady is making. Thirty-four countries in Africa are spending more on debt interest than on health and education. If we are to talk about a just transition, it is simply not right that the poorest people in the world should be paying for it. That gives force to what she is saying. Will she comment more on ensuring that this is a just transition?

Ellie Chowns: Absolutely. The hon. Member makes a very important point, which relates to the one I made at the beginning: we cannot avoid the fact that we in the UK have an historical responsibility to take action on climate finance. We need to ensure that we are not storing up further problems for the future by providing climate finance in the form of loans, which make things harder for the poorest people in the poorest countries. Frankly, it is a scandal that, as he says, so many people in the poorest countries find that their Governments are spending more on debt repayments than they are on investment in crucial health and education, which build what we sometimes call the human capital that is so essential to sustainable development in such countries. I very much hope that the Government will lead on this issue and ensure that climate finance is in the form of grants—all of it, if possible, but at least the very largest proportion of it.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on securing this debate. I spoke to her beforehand, and the subject is incredibly important. According to international climate finance reports, 14 programmes have been initiated to support farmers across the globe to improve their access to clean energy. As she rightly said, that is an objective not only internationally, but at home. Does she agree that the Government must do more to assist farmers domestically across the United Kingdom of Great Britain and Northern Ireland with incentives for greener and cleaner farming?

Ellie Chowns: I thank the hon. Member for making that point. This debate is on international climate finance, but I am happy to address his question about the interaction between domestic policy and the climate crisis that we face. I was disappointed not to hear in the Budget statement any commitment on climate or nature. Indeed, reading the detail on page 37 of the Budget, we will have a real-terms 2% decrease in the Department

[Ellie Chowns]

for Environment, Food and Rural Affairs budget over the next two years. Investment, however, is vital. Nature-friendly farming in the UK is one of the crucial ways to reduce our own emissions and get a little closer to doing our fair share of mitigating climate change. Another issue close to my heart is the role of DEFRA in tackling water pollution, and again we are not seeing that. I agree that investment domestically in nature-friendly farming and environmental policies is crucial. We have to put our money where our mouth is, and we have to ensure that we ourselves are on track to meet our climate goals.

At COP28 last year, the stocktake found that the world is off track to meet the 1.5° target. In itself, that commits us to serious effects already. In real life, we see increasing drought and wildfires, and the increasing frequency and severity of flooding in our own country. We know that climate change is happening. We have to do everything possible domestically to tackle it.

My fourth point is that international climate finance must be additional to aid. In recent years, we have seen not only a shameful, in my view, reduction in the overseas development assistance budget—I strongly urge the Government to bring that back up to 0.7% as soon as possible—but the wrapping of all sorts of other costs into the ODA budget. A real risk, if we put international climate finance into the ODA budget, is less money to spend on health, education and all those policies that are so essential to tackling international poverty and inequality. International climate finance must be treated separately from ODA.

My fifth point is about where the money should come from. Again, that is an important topic on Budget day, and indeed I will digress slightly to comment on the Budget. One policy we have seen today is a retention of the fuel duty freeze, which is effectively a subsidy for fossil fuels. That is clearly incompatible with the Government's rhetoric on climate change. We should lead the way as a country in pushing for "polluter pays" taxes to generate the finance necessary to meet what I hope will be strong and ambitious international climate finance goals, because—to recap—this is urgent. 2024 is on track to be the hottest year ever on record. This change is going only one way. I do not know how many economists and scientists we need to tell us that the investment must come early—as soon as possible—because the transition will get more and more expensive. The longer we leave it, the costlier it will be, not just financially, but in terms of the effect on human lives. COP29 is a crucial moment in the international climate negotiations.

I very much look forward to hearing from the Minister how she will ensure that the UK plays a leading role, putting our money where our mouth is and doing everything possible to influence international partners to ensure that climate finance is sufficient to address the challenge that we face.

4.11 pm

The Minister for Development (Anneliese Dodds): It is a real pleasure to serve in this Chamber with you in the Chair, Sir Roger. I am grateful to the hon. Member for North Herefordshire (Ellie Chowns) for securing this debate and speaking so powerfully. I will do my very best to answer her questions in setting out the Government's

approach to this genuinely critical area, which is so important for all our futures, particularly those of the poorest people in the world.

This Government are getting on with reconnecting Britain to the world and modernising our approach to international development in a spirit of genuine partnership and respect, as I set out in a speech at Chatham House a couple of weeks ago. That speech built on the Foreign Secretary's lecture at Kew Gardens, in which he reiterated our view that action on the climate and nature crisis must be at the heart of everything that we do. I am grateful to the hon. Member for North Herefordshire for making reference to that; it is a genuine and important commitment. We believe that action on the climate crisis is critical to grow our economy and bring opportunities to people across our country and globally, and we know that our partners around the world share that ambition. When I was in Indonesia, for example, I was pleased to sign an agreement on critical minerals with the Government there, working on the climate crisis and green growth with them. We have a strong shared agenda, and we need to solidify that partnership globally.

Mr Toby Perkins (Chesterfield) (Lab): I congratulate the hon. Member for North Herefordshire (Ellie Chowns) on securing this important debate. We have already heard that the UN has identified a need for £600 billion of additional private finance if we are to tackle climate change. Does my right hon. Friend the Minister agree that in the UK, due to the expertise of the City, we are uniquely placed to lead on that? Does she also agree that the UK delegation to COP in Baku must make an ambitious new goal for private investment in the climate a major priority?

Anneliese Dodds: As ever, I absolutely agree with my hon. Friend on every point. With your permission, Sir Roger, I will come back to the subject of private finance in a moment, as well as to the precise contours of our engagement around leadership in the COP system and, more broadly, in innovation in this area. I am grateful to my hon. Friend for raising those points.

We are clear that situations of extreme humanitarian need globally are so often driven by conflict and climate crisis—in fact, they are often driven by the two intertwined. I unfortunately saw that for myself in South Sudan, at the Bentiu camp for internally displaced people. People escaping the horrific civil war in Sudan are managing to make it to the IDP camp, but they are surrounded by floodwater. It is now a permanently flooded area, making an already horrendous situation worse. We need to recognise the fundamental impact that the climate crisis is having right now, as the hon. Member for North Herefordshire rightly underlined.

My hon. Friend the Member for Chesterfield (Mr Perkins) rightly mentioned the COP system. I will come to the climate COP in a moment, but the UK team is currently hard at work at the biodiversity COP—COP16—in Cali, Colombia. They are working with partners from around the world, from indigenous people to the presidency of next year's climate COP in Brazil.

Mr Perkins: I am grateful to the Minister for giving way a second time. I have just returned from Colombia with a delegation from the United Kingdom at the biodiversity COP. I can report to her that there was huge support from across the world for the definitive

action that the Government are taking and the leadership they are showing on nature and biodiversity. That should give her all the more confidence to make a strong case to those going to Baku.

Anneliese Dodds: I am glad to hear that. It appears that we are making strong headway in protecting and restoring the wonders of the natural world, both land and sea, including at that COP meeting. As the Foreign Secretary has said, we must consider nature along with climate when we face up to the problems and opportunities that arise from this situation. Nature holds so many of the essential, cost-effective solutions that can help us to meet many shared goals, including building climate resilience. It is important to consider both.

I am very pleased to be heading to Baku for the climate COP alongside the Prime Minister and the Foreign Secretary, who attended previously when in opposition. As well as coming forward with our own ambitious, nationally determined contribution for the UK at COP29, we are determined to support others to scale up their ambition and action. That includes initiatives such as the global clean power alliance, which the hon. Member for North Herefordshire may have heard mention of. That is a strong commitment from the new UK Government. We are determined to deliver greater political momentum.

The hon. Member for North Herefordshire talked about the relationship between domestic and international policy. For the first time, the UK is able to speak with credibility on this because of the new Government's stating that we will not grant new oil and gas licences, removing the ban on onshore wind and introducing other measures. It shows that we are not just talking the talk—we are walking the walk. That kind of credibility is critical in these negotiations.

When speaking with our friends based on small islands and in fragile and vulnerable states, such as many of those the UK Government met with at the Commonwealth Heads of Government meeting in Samoa, we hear very loudly and clearly how difficult it is for them to access the finance that they need, especially climate finance. Very little of it is getting to those who need it, particularly fragile and conflict-affected states. The UK is determined to work with our partners to change that. I have prioritised, including at the World Bank annuals last week, trying to push hard for sources of climate finance and adaptation finance to be available. I am grateful to the hon. Member for Strangford (Jim Shannon) for mentioning the role of farmers. The proportion of climate finance that reaches farmers in the most fragile and conflict-affected states is minuscule, particularly for adaptation. That must change urgently.

I agree with the hon. Member for North Herefordshire that we must increase the level of dedicated climate finance from all sources across the causes and impacts of the climate crisis. We are determined to agree an ambitious new collective quantified goal; that is absolutely pivotal to our negotiations and vital to maintaining the global consensus of the Paris agreement and keeping 1.5° of warming within our reach. The UK is working extremely hard on this. The Department I am based in and the Department for Energy Security and Net Zero are working closely together and with our new climate and nature representatives. We have been carrying that forward at every opportunity.

Ellie Chowns: Will the Minister put a number on what she is talking about?

Anneliese Dodds: Of course, that collective quantified goal needs to be agreed. From the UK's point of view, we are determined to exercise leadership. I am delighted that the Secretary of State for Energy Security and Net Zero, who was engaged in this 16 years ago and managed to achieve great things then, is working with my Department, our representatives and so many contacts from all across the world to say, "How can we put forward the overall figure that is needed?" It has to be jointly agreed, as the hon. Member knows. The most important thing is that we get a figure out at the end because if those negotiations do not succeed, we will be taking a step backwards when we are in a situation of such urgent need.

Ellie Chowns: Might the Minister be able to put a number on what she would consider UK leadership to be financially?

Anneliese Dodds: As the hon. Member rightly mentioned previously, the UK has traditionally been a funder in this area, focusing particularly on the quality of climate finance and ensuring that there is sufficient grant and concessional finance. That is something we are determined to continue to do.

I go back to the fact that it has to be a collectively agreed goal, but the hon. Member could not see a team working harder on this matter. We want to ensure that we get to an agreement. Of course, many forces do not particularly want to see the global north agreeing with the global south on this—we believe we can come together. In fact, at the Commonwealth Heads of Government meeting we saw the agreement within the Commonwealth around plastics pollution. We need to take that same spirit forward when it comes to this goal.

For our part, as well as co-chairing the global green climate fund, we are working towards making good on the UK's pledge to get help to those who need it. We want robust roles to be agreed for article 6 on how countries co-operate to reduce emissions. We need real follow-through from the global stocktake on commitments such as tripling renewable power and doubling energy efficiency globally by 2030, and we need implementation of the national adaptation plans as we scale up finance in support. We have committed £100 million to the taskforce on access to climate finance that the UK co-chairs with Rwanda, and we are working with the World Bank and the board of the new fund for those facing devastating loss and damage; the hon. Member was right to mention that as being important.

There is a huge amount to do. A few days ago, as my right hon. Friend the Chancellor headed to the International Monetary Fund, I was at the World Bank in Washington pressing it to shoulder more risk so it can do more to unlock hundreds of billions of dollars and help the poorest and most vulnerable. To go back to the point mentioned by my hon. Friend the Member for Southgate and Wood Green (Bambos Charalambous), that has to include unlocking private finance, which is incredibly important, and we need to see innovation, too.

The hon. Member for North Herefordshire rightly referred to the fact that we need to be front-loading this funding right now. There is interesting innovation going

[Anneliese Dodds]

on with some of the multilateral development banks, and we are pushing them to deliver on making that finance available as quickly as possible; when it comes to mitigation in particular, now is the time we need to be acting. We are championing financial innovation, including insurance and guarantees. Under the new Government, the UK has been pushing particularly for climate-resilient debt clauses.

I will finish on that subject of debt, which I know is of huge concern to many, and my hon. Friends the Members for Southgate and Wood Green and for Bishop Auckland (Sam Rushworth) were right to mention it. We have been pushing the G20 process for more action on debt. It is positive to see Zambia going through that process, but we need to see more action. That is why we are pushing hard on this and in the Paris club because it cannot be acceptable that we see such high levels of spending on debt rather than on health, education and, indeed, the kind of issues we are talking about.

Ellie Chowns: I refer back to the figure that the hon. Member for Chesterfield (Mr Perkins) mentioned—the UN’s finding that we need £600 billion of international climate finance per year to address the challenge that we face. That is actually the same amount that is invested in oil and gas every year. Does the Minister agree that we must put a complete end to all public subsidy or support for fossil fuel industries right now? Can she comment on the role that the UK could and should play in ending all such subsidies?

Anneliese Dodds: I am grateful to the hon. Lady for making that point. She may have heard the Chancellor state today that this new Government will ensure that what was described as a windfall tax on oil and gas companies, but did not operate as one because of the numerous loopholes, will be tightened up. We will ensure that support for decarbonisation is incentivised, rather than disincentivised, as it was under the previous approach to taxation, so big changes are taking place.

Now is the time for the global action that the hon. Lady rightly focused on. I was in New York for the UN General Assembly with some representatives of small island developing states, which are particularly hard hit. They said that their slogan used to be, “1.5 to stay alive,” but it is becoming, “1.5 and we might survive”. This really is urgent, and the new UK Government are determined to do all we can to exercise leadership, working in partnership with others.

Question put and agreed to.

4.26 pm

Sitting suspended.

Roadworks: Journey Times

4.30 pm

Lewis Cocking (Broxbourne) (Con): I beg to move,

That this House has considered the impact of roadworks on journey times.

It is a pleasure to serve under your chairmanship, Sir Roger. I declare an interest as a Hertfordshire county councillor. I am pleased to have secured this debate on a very important topic for my constituents. When I describe the constituency of Broxbourne to those who are not familiar with it, I often say that it is a collection of places without a dominant centre. Instead, many of the towns and villages that make up Broxbourne are connected by two main roads: the A10 and the high street, or the old A1170, which extends from Waltham Cross in the south to Hoddesdon in the north. Demand on those roads, as the main arteries between the residential and urban areas, is extremely high. If works are taking place at any location on our roads, the traffic standstill can affect almost the entirety of Broxbourne. That is a serious problem and, frustratingly, one that is not often discussed.

According to INRIX, a transportation data analytics company, the average driver in the UK lost 61 hours to traffic congestion last year alone—four hours more than the 2022 figure. Those delays are costing UK drivers on average £558 each. Staggeringly, that means that the cost of traffic delays to the country overall is an eye-watering £7.5 billion—yes, £7.5 billion. People wanting to enjoy their hard-earned cash are unable to spend as much time as they would wish at local shops. Small business owners and traders struggle to make appointments on time. The less time people have to earn or spend, the harder it is for our country and economy to grow. The Chancellor said today that economic growth will be her mission for this Parliament, so I hope the Government will recognise that point.

The economic cost is especially damaging in the constituency of Broxbourne, where more people use a car or van to get to work than the national average. Hundreds of my constituents have completed my survey to share their experiences of the roadworks and how they affect them locally. They have made it extremely clear how disruptive long waits in traffic caused by roadworks are to their daily lives. I have heard about delays in reaching elderly parents, carers finding it difficult to carry out their vital duties and children missing out on the start of the school day. It is not just car journeys; for many of my constituents, the bus service is a lifeline, and when roadworks have left our local roads gridlocked, buses are inevitably delayed. Pensioners in my constituency have told me that they have simply given up even trying to go out. The knock-on effects of missing serious medical appointments and of social isolation are obvious.

My constituents’ anger and frustration are made even worse by the fact that so often when they drive past roadworks, no one is working on them—and it can be the case that no one is working on them for days, or even weeks. We are told that the problem is urgent and the barriers and traffic lights are in place as an emergency measure, but can it really be an emergency if no workers are on site for such long periods of time? My constituents feel that there has to be a way for the vital work to be

carried out quicker and more logically. Local authorities and utility companies must communicate much better between themselves to co-ordinate works in a sensible and cost-effective way. It cannot be right that the same stretch of road is dug up time and again, sometimes by different companies, but sometimes by the same company. Those organisations have to improve how they communicate with the public. It should be easier to find out why disruption is taking place and exactly how long it will be for. We cannot let it be the case, as my constituents have experienced, that residents wake up to find a four-way traffic light diversion in place, making it even harder to leave their house, get to school and go to work. We should use technology much better and come up with innovative ways to avoid static traffic where we can.

Here is an example. Someone drives up to a four-way traffic light, which is on the main road, but there is a side street with a few houses. All the lights will go green and red in sequence. We should be able to use technology so that the light only goes green down the cul-de-sac when a car is waiting to go. That is a small change that would make roadworks a lot easier for my constituents and others across the country to move about.

I welcome the fact that the previous Government set out plans for drivers and consulted on several policies to make it easier for everyone to use our roads. That included helping local authorities to establish lane rental schemes. Those schemes allow a highway authority to charge up to £2,500 per day for works on the busiest roads at the busiest times, with charges applying only to works carried out by utility companies and highway authorities.

The cost incentives to those organisations to move their works and carry them out at less busy times, or engage in joint working with others, are obvious. Around 95% of charges are avoided by taking those steps, meaning that disruption for drivers is minimised, without additional costs being placed on them by the firms responsible. Just four schemes are currently in operation, covering less than 10% of the road network in London and counties in the south of England.

Expanding those schemes across the country would raise significant funds for local authorities. As the previous Government proposed, at least 50%—I would suggest 100%—of the surplus funds should be directed to the repair of potholes, so that drivers can benefit from smoother journeys. I urge the Minister to publish the findings of that consultation, which closed on 11 March 2024, and introduce those measures.

Mr Mark Francois (Rayleigh and Wickford) (Con): I congratulate my hon. Friend on securing this important debate. In the previous Parliament, I introduced a ten-minute rule Bill about the regulation of roadworks, which I am reintroducing next week. I am honoured to say my hon. Friend has agreed to be a sponsor, as has the Opposition spokesman, the hon. Member for Mid Buckinghamshire (Greg Smith). Does my hon. Friend agree that a key element is the handing-out of permits by highway authorities, which I am trying to tighten up on? If we could tighten that up, we could help to prevent many of the overruns that my hon. Friend so eloquently described.

Lewis Cocking: I completely agree with my right hon. Friend. There is a problem with a highway authority issuing permits. There is also a problem when utility

companies use emergency legislation, where they do not even have to notify the highway authority of the works taking place. Residents can wake up, get in their car to go to work or school, drive to the end of their road and see the road being dug up, without any communication having been made with them.

We need to take a two-pronged approach. I am happy to support my right hon. Friend's ten-minute rule Bill, to tighten up some of the regulation on this. We need to ensure that highway authorities are responsible when they issue permits. We also need to ensure that, when utility companies use that emergency legislation, they get someone working on site as quickly as possible to get that emergency fixed. Do not dig up a road, under claims of an emergency, put traffic lights in place and then allow our constituents to sit in traffic for hours on end while no one works on that site.

I am pleased to support my right hon. Friend and his Bill, which will include increasing the fixed-penalty notices for utility companies whose roadworks overrun, which is another important issue. As I have said, the threat of financial penalties for those undertaking these works can make a difference, so penalties for work that overruns should be increased in line with inflation, especially for regular offenders. I have said before that sometimes when the same stretch of road is dug up, it is dug up by different utilities. If those utilities worked together, it would save them money. It is absolutely extraordinary—and there are examples of this in my constituency—that the same utility company digs up the same stretch of road, virtually at the same point, just a couple of weeks after they finished digging it up. They really need to forward-plan and look at how they do such work.

These changes, along with lots of others, would bring down costs for consumers, so that we could spend our money where we want to in the economy and get to work or school on time. I hope that the Government will listen and take the side of my constituents and many ordinary working people across the country.

4.40 pm

Lee Pitcher (Doncaster East and the Isle of Axholme) (Lab): It is a pleasure to serve under your chairmanship today, Sir Roger, and I thank the hon. Member for Broxbourne (Lewis Cocking) for securing this important debate.

In this debate, I want to highlight the fact that cars are not the only vehicles affected by roadworks. Bus services are just as severely impacted, if not more so. Bus networks and timetables are highly sensitive to disruption. They can rarely change routes to avoid the impact of roadworks. A point of disruption that might result in a five-minute delay for a car will have a repeated and accumulating effect on a bus service over the course of a day, adding mounting disruption each time the bus service runs its route, until the whole timetable can just fall apart, along with the plans of the bus passengers.

Working to a timetable makes it extremely challenging for service users to adjust their journey plans when things happen in this way. Fixed capacities mean that even if people try to catch an earlier bus, they may well find that it is full. Delays on bus routes can have knock-on effects for transfers to other services or modes of transport, adding even more chaos and frustration to people's journeys.

[Lee Pitcher]

To give a recent example that affected my constituents in Doncaster East and the Isle of Axholme, one route experienced a 5% drop in service use due to roadworks, even though two additional buses had been added to alleviate the disruption. Although a 5% drop might seem minor, over the course of just a few weeks it translates to hundreds and potentially thousands of missed journeys, and the additional cost of putting on extra buses, combined with the loss in the number of fares, can have an impact on the funding of other services.

In another case, a bus service was subject to a 10% reduction in punctuality for weeks while roadworks persisted. I have heard of constituents who now walk an hour each day to use their nearest train station, rather than stopping for the bus right outside their door because they fear delays, cancellations and not getting to their appointments on time. Although it may be an option for some people to walk three miles a day there and back, many people, particularly the elderly, the disabled and those with small children, simply cannot add a three-mile trek to their journey.

We all know the frustration of sitting in traffic and the stress of watching the clock tick by as we get closer and closer to the start-time for work, knowing that we are going to be late. There is not much that can make sitting there in that situation more pleasant and allow people some comfort, but there is the thought that at least once the works are done, they are done. The problem is that such hope is quickly dashed, because a month later the same road is dug up again, as the hon. Member for Broxbourne has said.

Roads need to be repaired; no one disputes that. Utility companies need to lay new pipes and gain access to their infrastructure; no one disputes that. However, when a road is resurfaced one month and then dug up again two months later for the installation of new cables, and new pipes go in a few months after that, it is easy to see why people become frustrated. What is hugely important is how we get greater co-ordination between local authorities and utility companies. What we all want to see is frequent and reliable bus travel, so let us work together to make that happen for my constituents in Doncaster East and the Isle of Axholme and for people right across our country.

4.44 pm

John Cooper (Dumfries and Galloway) (Con): It is a pleasure to serve under your chairmanship today, Sir Roger, and I congratulate my hon. Friend the Member for Broxbourne (Lewis Cocking) on securing this very important debate.

Tonight, drivers in my constituency of Dumfries and Galloway will set what I think is a record. At the stroke of 8 pm, traffic cones will close the A75 road to motorists and force them to undertake a 96-mile—yes, 96-mile—diversion. That must surely be among the longest diversions ever forced on drivers. The overnight closure between Newtown Stewart and Castle Douglas is not a one-off; it is just the latest in a round of closures that will continue into November. A journey that normally takes 40 minutes will become a two and a half hour epic.

Although transport is devolved to the Scottish Parliament, I raise this issue in this Chamber because the A75, which is grandly titled the “Euro route” although

it is often more akin to a cart-track, has significance for every one of our constituents. Sir Peter Hendy’s Union connectivity review identified the A75 as the key link between Northern Ireland, Scotland and England, as it serves the busy ferry port of Cairnryan in my constituency. It is of UK-wide importance. Estimates vary, but perhaps as much as 60% of Northern Ireland’s trade grinds along that road. Maintenance, as we have heard, is welcome and vital, but diversions such as the one I mentioned treat the public with contempt. Surely we can do better.

The other road that services the port of Cairnryan is the A77. It too could be a record breaker, for it had, according to the A77 action group, three closures for road accidents and 161 for works—and that is only between January and September of this year. It was shut on Monday and again on Tuesday; once for a lorry on fire and once for a lorry off the road. Further, the A77 still hangs by a thread in Glen App, where literally years of roadworks have failed to cure a landslip risk.

Scotland’s First Minister has agreed to visit Galloway to discuss roads from hell, which are screaming out for investment beyond mere patch-ups, and the £5 million in today’s Budget for the A75 is a start. I have invited the Secretary of State for Scotland to drive the A75 and the A77 too. He says his busy schedule will not allow it, but might someone from the Department for Transport make time to see how awful those unenviable record-breaking roads are? We hear boasts that Labour has reset relations with the SNP, so perhaps they could share a car with the First Minister.

Finally, I want to make an early plea that should anyone suggest a traffic cone tsar, we should instead call the position the cone arranger.

Sir Roger Gale (in the Chair): That was terrible.

4.46 pm

Andy MacNae (Rossendale and Darwen) (Lab): It is a pleasure to serve under your chairmanship, Sir Roger, and thank you for allowing me to speak. I congratulate the hon. Member for Broxbourne (Lewis Cocking) on securing this important debate.

This is a matter of a disturbing level of cross-Bench consensus, I fear, because we are all largely saying the same thing. In my constituency of Rossendale and Darwen, single trunk roads serve the vast majority of the constituency and residents and businesses are delayed and constrained daily by the incessant roadworks they face, to the extent that several of the major employers in the valley, on which we are entirely reliant, are threatening to leave or considering leaving the area because of the costs to their business that the relentless roadworks impose.

The situation is a constraint on growth and on people’s everyday lives. It would be fair to say that there is a complete consensus that something must change, yet we are constrained by the previous legislation—I think the last Act was the Traffic Management Act 2004—and it limits what we can do. There is a limit on the amount that can be charged as fixed-penalty notices for street works that overrun or do not follow their permits and a limit on the approach to lane rental schemes to 5% of a given local authority’s road network, but those are relatively straightforward things to change. I hope that, with this level of cross-Bench consensus, the Government’s

imperative on growth and the recognition of the impact on everyday lives, we can make what I hope will be relatively straightforward changes and give our communities and our businesses the boost they need for roadworks that are properly managed and regulated, with proper and effective penalties for overruns that are, in many cases, inexcusable.

4.49 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairmanship, Sir Roger. May I congratulate the hon. Member for Broxbourne (Lewis Cocking) on setting the scene so well? I will not delay the House very long, but I want to make a contribution from Northern Ireland, highlighting some points and then putting forward a couple of solutions.

I live in a rural community and the only way of getting to where we want to be on a regular basis is to jump in the car and drive up the road. The Ards peninsula, where I live, has a road going down one side and up the other and one going through the middle, so accessibility to certain roads means that if one closes, we have severe problems. I am used to the journey into town being a wee bit longer than I would like it to be. To give one example, the roadworks in Belfast, which have been there for some time, have led to people missing flights, being late for GP appointments, late for work and even missing NHS operations in the Ulster hospital. It is hard to comprehend how that can happen. Even the buses cannot get through, as the hon. Member for Broxbourne (Lewis Cocking) mentioned earlier. Even the fast buses cannot get along the road.

To give some perspective of where we are in Northern Ireland, I see problems for small businesses, particularly when roads are habitually closed. One in particular is McClements' garage on the Portaferry Road, Newtownards. The roads service cannot do anything about having to close the road. Insurance means that vehicles cannot travel up and down the road during major works, which means that the business closes and the garage owner has lost business over a period of maybe eight to 10 weeks. That has an impact on him because he does not get the traffic and passing trade. Can more be done to help businesses that are directly impacted by such works?

We need better co-ordination. Let me give two examples: Mill Street in Newtownards and Loughries Road. This was a few years ago, to be fair. Northern Ireland Water came and dug the road up, then filled it in. The gas guys came along, dug the road up and filled it in. Then the third one, British Telecom, came along. It dug the road up as well—in the very same place, the same hole in the ground. The three utilities could have been better co-ordinated and could have done it better together. We need better co-ordination; that is No. 1.

I want to give a second solution, if I can. I know that the roads service in Northern Ireland has done this. The Sydenham bypass carries a vast number of vehicles—thousands every day. It is a major thoroughfare, bringing people up from the Ards peninsula and Bangor right into Belfast, so that road is really important. The roads service came up with a solution, which was to do the work at the weekend. That meant that when people were going to work from Monday to Friday, the roads were available, but on Saturday and Sunday they were not.

How did we do it better? We asked the roads service to work more at the weekends. I understand that it is difficult in times of financial stringency, but none the less it is not impossible for work to be done at nighttime when fewer people are on the roads and there is less impact. So, there are two solutions to consider, including doing the roadworks in the evenings and at weekends, as has been done in Northern Ireland. It is successful.

I have one more quick point. Whenever the roads are closed, there really has to be a better way of letting vehicle owners and those who are travelling on the road know exactly what is going on.

4.53 pm

Mr Paul Kohler (Wimbledon) (LD): It is a pleasure to serve under your chairmanship, Sir Roger. I thank the hon. Member for Broxbourne (Lewis Cocking) for securing this important debate. I know from my own inbox and those of my colleagues that this impacts many of our constituents' lives, work and businesses. Just this weekend in my own constituency, there has been large-scale disruption from roadworks. On the A3, which runs through Wimbledon, roadworks caused huge congestion not just in south-west London but across much of Surrey and Hampshire. It was particularly severe because the disruption was compounded by South Western Railway's decision to cancel trains on the same route due to planned engineering works on the line, something to which I will return.

A lack of investment in our roads has left many in a dire state, with less than half the local road miles in England and Wales now classified as being in good structural condition. Urgent work to repair our roads is vital, particularly as delays in maintenance compounds the problems, leading to higher costs and greater disruption.

As transport spokesman, I am of course the most important person on the Lib Dem Front Bench as I am the lead on that staple of every Lib Dem Focus leaflet, the ubiquitous pothole. I consequently welcome the Chancellor's announcement today of additional funding to fix potholes, as I know the Minister will as well. However, before we get carried away by this bounty, let us not lose sight of the fact that it comes against the backdrop of a real-terms cut to the Department for Transport budget, which I will cover in more detail in a subsequent Budget speech.

Clearly, the roadworks needed to fix such problems inevitably cause disruption to the road network, leading to longer journey times, which are not only frustrating but economically damaging. In 2021, National Highways estimated that delays on the strategic road network, of which at least 15% were due to roadworks, cost the economy around £3 billion a year.

It is therefore vital that when roadworks are planned, disruption to the wider network is minimised. That requires communication across the sector to co-ordinate matters. However, it is sadly all too apparent that there is a lack of joined-up thinking, and that there is too much fragmentation across our transport system to achieve that co-ordination. On the London to Portsmouth route last weekend, for example, it should surely have been possible to ensure that planned work on the A3 and the rail line did not coincide. That is the type of problem that we need to avoid. I trust that the Department for Transport's promised long-term strategy addresses such issues.

[Mr Paul Kohler]

In addition to roadworks to maintain and improve our roads, another source of delay, frustration and cost is street works: utility companies digging up our roads. There is a great deal of congestion in Wimbledon town centre at the moment. Wimbledon Hill Road is completely shut because of emergency work on a collapsed sewer, which is leading to major disruption to bus routes and traffic jams in surrounding roads, significantly increasing journey times in much of my constituency. Of course, an emergency is an emergency—I understand that—but it does not excuse utility companies not doing all they can to ensure that disruption is kept to a minimum, as the hon. Member for Broxbourne said.

Companies are obliged to return the roads to the state in which they found them, but they often do not, as many people in my constituency know. Yes, utility companies can theoretically be fined up to £10,000 a day for delays, but many roads have fines capped at £250, and even that level of enforcement is problematic. The Lib Dems strongly believe that local authorities need to be given more powers to ensure that utility companies minimise the disruption they cause and do not act with impunity. The previous Government consulted on increasing their powers, including raising the level of FPNs that can be issued for certain street work offences and allowing overrun charges to apply at weekends and bank holidays, but the results were never published. The Minister has said that the results will be released in due course, and I hope that she might take this opportunity to tell us when that will be.

We all know that our road network is crucial to constituents and businesses. The Government could be doing more to keep the traffic flowing, people travelling and the economy growing.

4.57 pm

Greg Smith (Mid Buckinghamshire) (Con): It is a pleasure to serve under your chairmanship, Sir Roger. I congratulate my hon. Friend the Member for Broxbourne (Lewis Cocking) on securing this important debate.

The consensual nature of the debate shows that if there is one thing on which we on the Opposition Benches and those in His Majesty's Government can agree, it is that nobody likes road closures and traffic jams and the misery that comes with them. In urban and suburban areas, they often mean unwanted congestion and pollution. As the hon. Member for Doncaster East and the Isle of Axholme (Lee Pitcher) said, they often mean delays not just for private motorists but for buses and hauliers. I gently suggest to him that after this afternoon's Budget and the Chancellor increasing bus fares from the £2 cap that we brought in, people will be paying more to sit on the bus in a traffic jam under a Labour Government.

In rural areas such as my Mid Buckinghamshire constituency, and that of the hon. Member for Strangford (Jim Shannon), a 100-yard road closure can often mean a 5 to 10-mile diversion. That is before I even start talking about Government-sponsored programmes such as High Speed 2, for which the road closures seem to go on indefinitely and forever. Fixing that is in the Government's gift. Likewise, we heard from my hon. Friend the Member for Dumfries and Galloway (John Cooper) about the intolerable problems on the A77 and A75, which the Scottish Government simply must fix.

Of course, in some cases road closures are not necessarily a bad thing—they are the result of getting things done—but how we manage them is important. Utility companies must be held to account. Whether action is taken by local government or by national Government through National Highways or another agency, it must be taken responsibly. The relevant authorities must remember that they are causing significant inconvenience to real people, their businesses, their school runs and their trips to the doctor, hospital or other medical appointments. If we can manage the situation, everybody will be much happier.

Let us not forget that it is only through economic growth that car ownership, and indeed other forms of transport, became affordable and grew for many. As part of our plan for drivers, the previous Government took action—we can discuss how to go further—on the critical problem of road closures that stick around for longer than necessary. We introduced a performance-based street works regime to ensure that utility companies resurfaced roads to the best possible standard, and a lane rental scheme, through which utility companies can be charged up to £2,500 a day for street works. That programme enabled the delivery of more than 2 million street works between 2022 and 2023.

In January, the previous Government launched a street works consultation, the results of which were clear. We therefore doubled fines in some instances from £500 to £1,000 for utility companies found to have breached the conditions of their jobs. We introduced charges of £10,000 a day for companies if their works overrun into weekends and bank holidays, which are the busiest days on the road network. We gave a direction for at least 50% of the money generated by lane rental schemes to be used for the improvement of roads and the repair of potholes. That money is already filtering down to local authorities.

In my own constituency, Buckinghamshire council's "pothole pro" is making light work of what has historically been an incredibly time-consuming and labour-intensive task. The pothole pro effectively recycles and reuses damaged tarmac for resurfacing works, and roads are therefore being fixed more quickly and efficiently. That ultimately saves taxpayer money and reduces the time that people spend stuck in traffic or diverting around road closures. Technology is our friend. It can get repairs done so much quicker.

Conservatives are firmly on the side of drivers. What will the Minister and the Government do to improve the experience of Britain's motorists, those who travel on our buses and that those who require the use of the road network to make deliveries and to get their goods around the country? What will the Minister do to meet the challenges set out by my hon. Friend the Member for Broxbourne? What reforms will the Government introduce to build on what is already in place to hold those who dig up our roads to account?

It would be a good start for the Government to support the ten-minute rule Bill of my right hon. Friend the Member for Rayleigh and Wickford (Mr Francois), which the Opposition already support. That would bring about real action to improve the lot of all motorists. Will the Minister confirm the Government's stance on that Bill, which we also saw in the previous Parliament? Britain's motorists deserve to know.

The state of our roads is important, as right hon. and hon. Members have said. Will the Minister confirm whether the Government will maintain the £4.7 billion of funding, much of which was to be used to fill potholes across the north and the midlands over the next seven years, that the previous Government put in place in February through the local transport fund? Will it be put to good use in the way that the previous Government intended? Will the Government retain the £8.3 billion of funding for highways maintenance, which was announced in October 2023 in “Network North” and should last until 2033?

Will the new Labour Government continue that exact amount of spending? I fear that the Chancellor’s announcement in the Budget today of £500 million for potholes will simply not touch the sides of the problem we face as a country. Looking at my own constituency, where Buckinghamshire council has a £105 million road repair fund for one county alone, I do not think that that £500 million sum of money will go far enough to challenge and fix the problems facing Britain’s motorists. It seems that both sides of the House agree on the problem. Labour is now in government; will the Minister confirm precisely what it will do?

5.5 pm

The Parliamentary Under-Secretary of State for Transport (Lilian Greenwood): It is a pleasure to serve under your chairmanship again, Sir Roger. I congratulate the hon. Member for Broxbourne (Lewis Cocking) on securing this debate on the impact of roadworks on journey times, and I thank all Members who have contributed to what has been an informative and interesting discussion.

People use our roads to make journeys every day, and how we manage them has a direct impact on everyone’s lives. The frustration caused by congestion and the poor condition of our roads are recurring themes that my Department and I are focused on. I am sure that we all, as Members of Parliament, hear the concerns that have been exposed today every time we knock on a door, frankly.

I recognise the point made by the hon. Member for Broxbourne about growing traffic congestion. That is one reason why the Government are acting to enable more people to choose public transport or active travel. We need to tackle that congestion and to think about it in the round. We are determined to deliver a transport network that works for all road users, whether they are drivers, bikers, cyclists, bus passengers, pedestrians or horse riders.

The challenge of congestion will only grow, given that over the coming years the number of roadworks will increase because of new housing developments, the continued roll-out of broadband and the need to meet our targets for installing electric vehicle charge point infrastructure to deliver the Government’s commitment to net zero. We also all need the services provided by utility companies, and we want them to maintain and improve their infrastructure. More than 2.2 million works take place in England each year, and the congestion created costs around £4 billion.

In addition, the Government are determined to tackle the problem of potholes and other road defects on our networks. As the hon. Member for Broxbourne will know, we have a manifesto commitment to fix 1 million more potholes a year, every year of this Parliament. I am pleased to say that we have already made a start by

announcing, in today’s Budget, a £500 million funding increase for local authorities in 2025-26, which is an increase of almost 50% from 2024-25 levels. I am more than aware that authorities and Members alike will be interested to know how their areas and communities will benefit from that funding, and specific allocations will be announced in due course.

In total, the Department for Transport will invest about £1.6 billion in local highway maintenance in the next year. That includes additional funding on top of that already provided to city mayors through the city region sustainable transport settlements, to help local councils to maintain and renew their local highway network. Future capital investment in our infrastructure, including roads, rail and other things, will of course come in the spending review in the spring.

I enjoyed the contribution from the hon. Member for Dumfries and Galloway (John Cooper), and I hope that the Scottish Cabinet Secretary for Transport enjoyed it, too, as that is a matter for her and the Scottish Government.

The pressure on our road networks caused by works is not going away. However, we want to find the right balance between allowing necessary works to go ahead and minimising the disruption for everyone using our roads.

Mr Francois: The Minister’s opposite number in the previous Government kindly granted me a meeting about my Bill, which unfortunately ran out of parliamentary time. As I have 10 minutes to fill next week, will she allow me as part of my speech to say that we have discussed this today and that she has kindly agreed to meet me to discuss the merits of my Bill and whether the Government might be prepared to adopt it in whole or in part?

Lilian Greenwood: The appropriate thing for me to do is to listen to the right hon. Member’s speech next week and to the arguments that he makes. I am sure that we will find an opportunity to discuss it in the future.

I assure the hon. Member for Wimbledon (Mr Kohler) that National Highways always works closely with Network Rail to ensure that works on our national networks are co-ordinated. If that does not happen, I hope that he would draw it to my attention, and I would certainly seek to raise those issues with them.

There is already a great deal of scope for works to be planned, managed and co-ordinated more effectively—as the hon. Member for Broxbourne called for—and, importantly, for the public to be told when works are happening and to be warned about the impact that those might have on their journeys. The responsibility of the local highways authority is to co-ordinate any works taking place on their roads, including their own works. In doing so, councils must take account of the needs of everyone using the road, consider the implications of works for their network and that of neighbouring authorities, and act to minimise or prevent problems. Utility companies also have a duty to co-operate with the authority.

Street works permit schemes are now in use by all but one local authority. They provide councils with the proactive tools to improve the management of all works in the street, as well as offering incentives to minimise disruption. To support the transition to permits, the

[Lilian Greenwood]

Department for Transport set up Street Manager, which is our online service for planning and managing road and street works in England. Since 2020, all local authorities, utility companies and their contractors, have had a single view of the street, with visibility of the whole network to help them plan and co-ordinate works for the benefit of road users. It enables better forward planning and more joint works. We also stream open data about live and planned works that apps and websites make available to the public. We have a commitment to continue improving the service to ensure that it meets users' needs.

As the hon. Member for Broxbourne highlighted, lane rental is another tool to help local highways authorities to reduce the impact of works taking place on the busiest roads at the busiest times. Such schemes allow authorities to charge utilities up to £2,500 a day for works on those roads. The hon. Member for Strangford (Jim Shannon) expressed the hope that roadworks would be planned for periods when they cause least disruption. Such issues are devolved in Northern Ireland, but his point is well made.

Lane rental charges act as an incentive to encourage those who plan works to complete them as quickly as possible, to carry out their works outside peak periods, or to consider alternative locations to minimise disruption. Lane rental schemes also encourage joint works, as that can attract discounts or charges can be waived. Any surplus revenue can be spent by the council on ways to reduce the impact of works on congestion.

Highways authorities that want to set up schemes can bid to the Secretary of State for approval, and we have provided bidding guidance on how they can do that. As the hon. Member for Broxbourne said, four lane rental schemes are in operation: on Transport for London's network in London, and in Kent, Surrey and West Sussex. The Secretary of State has recently approved a scheme in East Sussex, which is due to begin in 2025. Many more local councils are developing schemes and this Government want to support them. We want to make the lane rental scheme application process as easy as possible for local authorities, and I am reviewing the application and approval process with my Department to see what improvements can be made.

On the issue of fines and penalties, local authorities can already issue overrun charges of up to £10,000 per day for works that exceed the duration agreed as part of the permit. For a range of offences such as breaching permit conditions or working without a permit, fixed penalty notices can also be issued. As my hon. Friend the Member for Rossendale and Darwen (Andy MacNae) said, these powers can and should be used to improve the daily lives of our constituents, who rely on the roads. As I grew up in his constituency, many of those roads are very familiar to me.

As has been said several times, the Department for Transport consulted earlier this year on proposals to apply overrun charges at weekends and to increase fixed penalty notice charges. I am fully aware that the Department's response to that consultation is eagerly awaited. I am considering the proposals, and we will publish our response shortly. As I said, I look forward to listening closely to the comments from the right hon. Member for Rayleigh and Wickford (Mr Francois) about his forthcoming ten-minute rule Bill.

In addition to the existing range of powers available for use by authorities to manage roads on their network, I hope and expect that we will all see improvements in how utility companies carry out their works as more authorities operate lane rental schemes. My Department is determined to put people at the heart of everything that we do, so as we continue our work, we will constantly look at how we regulate roadworks to see if further improvements can be made for the benefit of everyone who uses our roads—drivers, bikers, cyclists, pedestrians, and so on. We plan, for example, to look at how urgent or emergency works, which I recognise cause particular difficulties, can be planned and co-ordinated more effectively, especially when they affect traffic and cause disruption, including for buses.

My hon. Friend the Member for Doncaster East and the Isle of Axholme (Lee Pitcher) set out clearly how roadworks can affect the punctuality of the bus services that our constituents rely on. My constituents in Nottingham will very much recognise that, as we have some major roadworks in our city centre. While I am on the subject of buses, which are important road users, I gently point out to the Opposition spokesman, the hon. Member for Mid Buckinghamshire (Greg Smith), that the previous Government funded their bus fare cap only until the end of the year. We are extending the cap and investing in better bus services across England. I am also surprised that he did not mention the fuel duty freeze, but there we go.

I thank the hon. Member for Broxbourne for raising these important issues, which affect the daily lives of our constituents and all of us. I am determined to keep people moving and to deliver the cleaner, greener, smoother and less congested roads that all our constituents want to travel on.

5.17 pm

Lewis Cocking: I thank the Minister for her reply and thank all the hon. Members who have taken part in the debate. I also thank the hundreds of my constituents who replied to my survey online to tell me about their experiences.

I will make a few final points. We really need to tackle the emergency works. As I said, they turn up unannounced. Most of our constituents can understand that if there is a real emergency, we should get the works done as quickly as possible, but when roads are dug up by utilities, which is quite often the case under emergency legislation, and residents drive past day after day and see no one working on the site, it is a real frustration. I will not repeat the language that I use when I am in the car by myself and I see that occurring in my constituency. Even worse than that, we drive past cones and traffic lights, but there will not even be a hole dug in the road—so not only have we had no one working on the site, but works have not even been started, even though cones have been put out what seems like weeks before, which causes disruption and makes people sit in traffic.

As for planned works, because lots of organisations are involved, sometimes the left hand does not know what the right hand is doing. It is like someone sat down and said, "We want to plan all these works all at the same time, so that you cannot move anywhere around the local area". We really need to get better at planning

all those works through the highways authority and the utility companies, particularly for emergency works. If we want to unlock economic growth in this country and get the economy growing at a really rapid speed, we will do that by keeping Britain moving.

Question put and agreed to.

Resolved,

That this House has considered the impact of roadworks on journey times.

5.19 pm

Sitting adjourned.

Written Statements

Wednesday 30 October 2024

BUSINESS AND TRADE

UK-Switzerland Free Trade Agreement Negotiations

The Minister for Trade Policy and Economic Security (Mr Douglas Alexander): The fifth round of negotiations on an enhanced free trade agreement with Switzerland took place in London between 14 and 18 October 2024.

The talks were the UK's first with the Swiss since the Secretary of State for Business and Trade, my right hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) announced the Government's intention to deliver the UK's FTA negotiations programme in July.

Economic growth is our first mission in Government and FTAs have an important role to play in achieving this. A stronger trade relationship with Switzerland will contribute to growth, jobs and prosperity in the UK, providing long-term certainty on UK business travel to Switzerland and helping data and ideas flow seamlessly between two world-leading services powerhouses. Total trade between the UK and Switzerland was worth £50.8 billion in 2023.

Talks continue to be constructive, with both countries working towards agreeing ambitious outcomes in key areas, including services, investment and digital. The talks will facilitate UK-Swiss co-operation in areas of mutual interest that support growth.

UK negotiators made good progress in this round and covered almost all areas of the negotiation, including but not limited to:

Services, investment and digital

Productive discussions were held on key technical issues, as we work towards consolidated chapter structures and texts. This will allow us to continue to have further technical discussions on remaining issues—including but not limited to digital and business mobility—and move towards economically and commercially meaningful market access proposals.

Intellectual property

Talks continued to advance, this round, on a number of technical rights areas, building on the existing high standards in international fora and in our respective domestic regimes.

Government procurement

Overall, constructive progress has been made on chapter text that builds upon the World Trade Organisation agreement on government procurement, of which we are both members. Discussions on economically and commercially meaningful market access continue.

Innovation

Negotiators continued discussions on ways to future-proof an enhanced FTA, given the rapidly changing nature of the global economy and the need to respond and adapt to the trade opportunities and challenges that arise from innovation.

Goods, trade facilitation and regulatory environment

Negotiators exchanged market access offers on goods, with the aim of achieving commercially meaningful outcomes. Discussions continued on technical issues regarding the movement of goods between the UK and Switzerland.

Negotiators also covered issues relating to the overall functioning of an upgraded agreement, as well as areas of future co-operation.

The Government will only ever sign a trade agreement which aligns with the UK's national interests, upholding our high standards across a range of sectors, including protections for the national health service.

Round six of negotiations is expected to take place in Switzerland in early 2025. The Government will continue to work towards delivering outcomes in the FTA that secure economic growth for the UK, and will update Parliament on the progress of discussions with Switzerland as they continue to develop.

[HCWS173]

TREASURY

Tax Credit, Child Benefit and Guardian's Allowance Rates

The Chief Secretary to the Treasury (Darren Jones): The Tax Credits Act 2002 and the Social Security Administration Act 1992 place a statutory duty on His Majesty's Treasury to review the rates of tax credits and child benefit each year in line with the general level of prices. There is a further statutory duty on the Treasury to increase guardian's allowance in line with price growth. I have now concluded the review for the tax year 2025-26.

I have decided to increase child benefit rates in line with the consumer prices index for the year to September 2024, which is 1.7%. Guardian's allowance will also increase by the same rate. This means that, from 7 April 2025:

The child benefit rate for the eldest child will increase from £25.60 to £26.05 per week;

The child benefit rate for other children will increase from £16.95 to £17.25 per week;

Guardian's allowance will increase from £21.75 to £22.10 per week.

I have determined that there will be no need for changes to tax credits rates in the tax year 2025-26, as there will be no tax credits awards after 5 April 2025.

The new rates will apply across the United Kingdom. I will deposit the full list of these rates in the House Libraries shortly.

[HCWS174]

WORK AND PENSIONS

State Pension and Benefit Rates

The Secretary of State for Work and Pensions (Liz Kendall): I have concluded my statutory annual review of state pension and benefit rates under the Social Security Administration Act 1992. The new rates will apply in the tax year 2025-26 and will mainly come into effect from 7 April 2025.

I am pleased to announce that the basic and new state pensions, and the standard minimum guarantee in pension credit, will be increased by 4.1%, in line with the increase in average weekly earnings in the year to May-July 2024.

This demonstrates our commitment to supporting pensioners, by protecting the triple lock, which benefits over 12 million pensioners. From April, the full yearly rate of the new state pension will increase by over £470.

Other state pension and benefit rates covered by my statutory review will be increased by 1.7%, in line with the increase in the consumer prices index in the year to September 2024.

This includes universal credit and other benefits; statutory payments linked to participation in the labour market; and additional state pension and pension credit elements other than the standard minimum guarantee.

These increases will apply across Great Britain.

In England and Wales, personal independence payment and other benefits to help with additional needs arising from disability, and the rate of carer's allowance, will also increase by 1.7%. In Scotland, these are devolved matters.

All of social security, including state pensions, is a transferred matter in Northern Ireland.

I will place the full list of proposed state pension and benefit rates for 2025-26 in the Libraries of both Houses in due course.

Although not covered by my statutory review of state pension and benefit rates, I can also inform the House that local housing allowance rates for 2025-26 will be maintained at the 2024-25 levels, following their increase in April 2024; and that the benefit cap has not been reviewed for 2025-26 and will also be maintained at the 2024-25 levels.

[HCWS175]

DEFENCE

BAE Systems Barrow Incident

The Minister for Defence Procurement and Industry (Maria Eagle): On 30 October 2024, there was a fire in a submarine construction facility, the Devonshire Dock Hall (DDH) at the submarine build yard run by BAE Systems in Barrow-in-Furness.

The fire started shortly after midnight on Wednesday morning. BAE Systems implemented its emergency response plan, which moved fully to the recovery phase at 1 pm the same day. I can confirm that at no point was there any nuclear risk from this fire.

Seven BAE Systems personnel were taken to hospital following the initial fire as a precautionary measure and all have now been released.

Once the area has been made safe a formal fire investigation will take place to establish the root cause of the fire and the extent of the damage. Until this occurs it is too soon to give a precise assessment of what, if any, impact there will be on any BAE Systems capabilities or submarine build projects. Ministers continue to engage closely with BAE Systems.

Barrow is the historic home of submarine building in the UK and this Government are committed to delivering the plan for Barrow, creating economic opportunity and delivering the nuclear deterrent as part of our national endeavour.

I would like to make a special mention of the emergency services, including those of BAE Systems and Cumbria, whose professionalism and highly effective response safeguarded the local population and helped put this fire out.

[HCWS176]

ORAL ANSWERS

Wednesday 30 October 2024

	<i>Col. No.</i>		<i>Col. No.</i>
SCOTLAND	791	SCOTLAND—continued	
Arts Funding: Scotland	795	Inward Investment: Scotland	793
Council of Nations and Regions	791	Offshore Wind: UNESCO World Heritage Sites ...	800
Defence Jobs: Scotland	794	Space Sector: Scotland.....	792
Economic Growth: Scotland.....	797		
Employment Rights: Scotland	799	PRIME MINISTER	802
Government Industrial Strategy: Scotland	796	Engagements.....	802

WRITTEN STATEMENTS

Wednesday 30 October 2024

	<i>Col. No.</i>		<i>Col. No.</i>
BUSINESS AND TRADE	39WS	TREASURY	40WS
UK-Switzerland Free Trade Agreement		Tax Credit, Child Benefit and Guardian's	
Negotiations	39WS	Allowance Rates	40WS
DEFENCE	42WS	WORK AND PENSIONS	40WS
BAE Systems Barrow Incident	42WS	State Pension and Benefit Rates	40WS

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**not later than
Wednesday 6 November 2024**

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CONTENTS

Wednesday 30 October 2024

Oral Answers to Questions [Col. 791] [see index inside back page]
Secretary of State for Scotland

Speaker's Statement [Col. 802]

Oral Answers to Questions [Col. 803] [see index inside back page]
Prime Minister

Financial Statement and Budget Report [Col. 811]
Statement—(Rachel Reeves)

Budget Resolutions [Col. 829]
Debate (First day)
Debate adjourned

Petition [Col. 910]

Western Sahara [Col. 911]
Debate on motion for Adjournment

Westminster Hall
Children's Hospices: Funding [Col. 265WH]
Childcare: Black Country [Col. 289WH]
NHS Winter Readiness [Col. 293WH]
COP29 and International Climate Finance [Col. 313WH]
Roadworks: Journey Times [Col. 320WH]
General Debates

Written Statements [Col. 39WS]
