

# Chancellor Jeremy Hunt - Autumn Statement

*House of Commons*

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## **The Chancellor of the Exchequer (Jeremy Hunt)**

In the face of unprecedented global headwinds, families, pensioners, businesses, teachers, nurses and many others are worried about the future, so today we deliver a plan to tackle the cost-of-living crisis and rebuild our economy. Our priorities are stability, growth and public services. We also protect the vulnerable, because to be British is to be compassionate and this is a compassionate Conservative Government.

We are not alone in facing these problems, but today we respond to an international crisis with British values. We are honest about the challenges and we are fair in our solutions. Yes, we take difficult decisions to tackle inflation and keep mortgage rates down, but our plan also leads to a shallower downturn, lower energy bills, higher growth, and a stronger NHS and education system.

There are three priorities then today: stability, growth and public services. I start with stability. High inflation is the enemy of stability. It means higher mortgage rates, more expensive food and fuel bills, businesses failing and unemployment rising. It erodes savings, causes industrial unrest and cuts funding for public services. It hurts the poorest the most and eats away at the trust upon which a strong society is built.

The Office for Budget Responsibility confirms that global factors are the primary cause of current inflation. Most countries are still dealing with the fallout from a once-in-a-century pandemic. The furlough scheme, the vaccine roll-out and the response of the NHS did our country proud, but they all have to be paid for. The lasting impact on supply chains has made goods more expensive and fuelled inflation. This has been worsened by a made-in-Russia energy crisis.

Putin's war in Ukraine has caused wholesale gas and electricity prices to rise to eight times their historic average. Inflation is high here, but higher in Germany, the Netherlands and Italy. Interest rates have risen here, but faster in the US, Canada and New Zealand. Growth forecasts have fallen here, but fallen further in

Germany. The International Monetary Fund expects one third of the world's economy to be in recession this year or next.

So the Bank of England, which has done an outstanding job since its independence, now has my wholehearted support in its mission to defeat inflation and I today confirm we will not change its remit. But we need fiscal and monetary policy to work together, and that means the Government and the Bank working in lockstep. It means, in particular, giving the world confidence in our ability to pay our debts. British families make sacrifices every day to live within their means, and so too must their Government because the United Kingdom will always pay its way.

I understand the motivation of my predecessor's mini-Budget and he was correct to identify growth as a priority, but unfunded tax cuts are as risky as unfunded spending, which is why we reversed the planned measures quickly. As a result, Government borrowing has fallen, the pound has strengthened and the OBR says today that the lower interest rates generated by the Government's actions are already benefiting our economy and public finances. But credibility cannot be taken for granted and yesterday's inflation figures show we must continue a relentless fight to bring it down, including a rock-solid commitment to rebuild our public finances.

Richard Hughes and his team at the OBR today lay out starkly the impact of global headwinds on the UK economy, and I am enormously grateful to him and his team for their thorough work. The OBR forecasts the UK's inflation rate to be 9.1% this year and 7.4% next year. It confirms that our actions today help inflation to fall sharply from the middle of next year. It also judges that the UK, like other countries, is now in recession. Overall this year, the economy is still forecast to grow by 4.2%. GDP then falls in 2023 by 1.4%, before rising by 1.3%, 2.6% and 2.7% in the following three years. The OBR says higher energy prices explain the majority of the downward revision in cumulative growth since March. It also expects a rise in unemployment from 3.6% today to 4.9% in 2024, before falling to 4.1%.

Today's decisions mean that, over the next five years, borrowing is more than halved. This year, we are forecast to borrow 7.1% of GDP, or £177 billion; next year, 5.5% of GDP, or £140 billion; then by 2027-28, it falls to 2.4% of GDP, or £69 billion. As a result, underlying debt as a percentage of GDP starts to fall from a peak of 97.6% in 2025-26 to 97.3% in 2027-28.

I also confirm two new fiscal rules. The first is that underlying debt must fall as a percentage of GDP by the fifth year of a rolling five-year period. The second is that public sector borrowing over the same period must be below 3% of GDP. The plan I am announcing today meets both rules.

Today's statement delivers a consolidation of £55 billion, and means inflation and interest rates end up significantly lower. We achieve this in a balanced way. In the short term, as growth slows and unemployment rises, we will use fiscal policy to support the economy. The OBR confirms that, because of our plans, the recession is shallower and inflation is reduced. Unemployment is also lower, with about 70,000 jobs saved as a result of our decisions today. Then, once growth returns, we increase the pace of consolidation to get debt falling. This further reduces the pressure on the Bank to raise interest rates, because as Conservatives we do not leave our debts to the next generation.

So this is a balanced path to stability, tackling inflation to reduce the cost of living and protect pensioner savings, while supporting the economy on a path to growth. But it means taking difficult decisions. Anyone who says there are easy answers is not being straight with the British people. Some argue for spending cuts, but that would not be compatible with high-quality public services. Others say savings should be found by increasing taxes, but Conservatives know that high-tax economies damage enterprise and erode freedom. We want low taxes and sound money, but Conservatives know that sound money has to come first, because inflation eats away at the pound in people's pockets even more insidiously than taxes. So with just under half of the £55 billion consolidation coming from tax, and just over half from spending, this is a balanced plan for stability.

I turn first to our decisions on tax. I have tried to be fair by following two broad principles: first, we ask those with more to contribute more; and secondly, we avoid the tax rises that damage growth. Although my decisions today do lead to a substantial tax increase, we have not raised headline rates of taxation, and tax as a percentage of GDP will increase by just 1% over the next five years.

I start with personal taxes. Asking more from those who have more means that the first difficult decision I take on tax is to reduce the threshold at which the 45p rate becomes payable from £150,000 to £125,140. Those earning £150,000 or more will pay just over £1,200 more in tax every year. We are also taking difficult decisions on tax-free allowances. I am maintaining at current levels the income tax personal allowance, higher rate threshold, main national insurance thresholds and the inheritance tax thresholds for a further two years, taking us to April 2028.

Even after that, we will still have the most generous set of tax-free allowances of any G7 country.

I am also reforming allowances on unearned income. The dividend allowance will be cut from £2,000 to £1,000 next year, and then to £500 from April 2024. The annual exempt amount for capital gains tax will be cut from £12,300 to £6,000 next year, and then £3,000 from April 2024. Those changes still leave us with more generous allowances than countries such as Germany, Ireland, France, and Canada.

Because the OBR forecasts that half of all new vehicles will be electric by 2025, to make our motoring tax system fairer, I have decided that from then electric vehicles will no longer be exempt from vehicle excise duty. Company car tax rates will remain lower for electric vehicles, and I have listened to industry bodies and will limit rate increases to 1 percentage point a year for three years from 2025.

The OBR expects housing activity to slow over the next two years, so the stamp duty cuts announced in the mini-Budget will remain in place but only until 31 March 2025. After that, I will sunset the measure, creating an incentive to support the housing market, and the jobs associated with it, by boosting transaction during the period when the economy most needs it.

I now turn to business taxes. Although I have decided to freeze the employers' national insurance contributions threshold until April 2028, we will retain the employment allowance at its new higher level of £5,000. That means that 40% of all businesses will pay no NICs at all. The VAT threshold is already more than twice as high as the EU and OECD averages. I will maintain it at that level until March 2026.

My right hon. Friend the Prime Minister successfully negotiated a landmark international tax deal to make sure that multinational corporations, including big tech companies, pay the right tax in the countries where they operate. I will implement those reforms, making sure that the UK gets our fair share. Alongside further measures to tackle tax avoidance and evasion, that will raise an additional £2.8 billion by 2027-28.

I have also heard concerning reports of abuse and fraud in research and development tax relief for small and medium-sized enterprises, so I have decided today to cut the deduction rate for the SME scheme to 86% and the credit rate to 10% but increase the rate of the separate R&D expenditure credit from 13% to

20%. Despite raising revenue, the OBR has confirmed that those measures will have no detrimental impact on the level of R&D investment in the economy. Ahead of the next Budget, we will work with industry to understand what further support R&D-intensive SMEs may require.

I turn next to windfall taxes. I have no objection to windfall taxes—[Hon. Members: “Ah!”]—if they are genuinely about windfall profits caused by unexpected increases in energy prices. But—[Interruption.] I know that Opposition Members are getting excited at the talk of windfall taxes. Can I just say that any such tax should be temporary, not deter investment and recognise the cyclical nature of energy businesses? So, taking account of that, I have decided that from 1 January until March 2028 we will increase the energy profits levy from 25% to 35%. The structure of our energy market also creates windfall profits for low-carbon electricity generation, so we have decided to introduce, from 1 January, a new, temporary 45% levy on electricity generators. Together, those measures will raise £14 billion next year.

Finally, I turn to business rates. It is an important principle that bills should accurately reflect market values, so we will proceed with the revaluation of business properties from April 2023, but I will soften the blow on businesses with a nearly £14 billion tax cut over the next five years. Nearly two thirds of properties will not pay a penny more next year and thousands of pubs, restaurants and small high street shops will benefit. That will include a new Government-funded transitional relief scheme, as called for by the CBI, the British Retail Consortium, the Federation of Small Businesses and others, benefiting around 700,000 businesses.

Our plan for the cost of living delivers lower inflation, lower mortgage rates, a shallower downturn and lower unemployment, but it also involves public spending discipline, so I turn next to how we protect public services through a challenging period. The Prime Minister’s vision for the country has at its heart a strong NHS and world-class education. We know that a strong economy depends on strong public services, so we will protect them as much as we can as we deliver our plan for stability and growth.

We do have to take difficult decisions on public finances, so we are going to grow public spending, but we are going to grow it more slowly than growth in the economy. For the remaining two years of the spending review, we will protect the increases in departmental budgets that we have already set out in cash terms and then grow resource spending at 1% a year in real terms in the three years that

follow. Although Departments will have to make efficiencies to deal with inflationary pressures in the next two years, this decision means that overall spending in public services will continue to rise in real terms for the next five years.

Before I turn to our plans for schools and the NHS, I start with two other areas of spending. The Department for Work and Pensions has a critical role in supporting people into work, and I am proud to live in a country with one of the most comprehensive safety nets anywhere in the world. But I am also concerned that we have seen a sharp increase in economically inactive working-age adults of about 630,000 people since the start of the pandemic. Employment levels have yet to return to pre-pandemic levels, which is bad for businesses who cannot fill vacancies and bad for people missing out on the opportunity to do well for themselves and their families, so the Prime Minister has asked the Work and Pensions Secretary to do a thorough review of issues holding back workforce participation, to conclude early in the new year.

Alongside that, I am also committed to helping people already in work to raise their incomes, progress in work and become financially independent. So we will ask over 600,000 more people on universal credit to meet with a work coach so that they can get the support that they need to increase their hours or earnings. I have also decided to move back the managed transition of people from employment and support allowance on to universal credit to 2028, and will invest an extra £280 million in the DWP to crack down on benefit fraud and error over the next two years. The Government's review of the state pension age will be published in early 2023.

Our security at home depends on our security overseas, so I turn next to defence and other international commitments. The privilege of being this country's Foreign Secretary showed me first-hand the enormous respect in which this country is held, because the United Kingdom is and has always been a force for good in the world. Nothing sums that up more than the courage of our armed forces; men and women risk their lives every day in defence of our territory and our belief in freedom. Alongside them, I salute the citizens of another country right on the frontline of that fight today: the brave people of Ukraine. The United Kingdom has given them military support worth £2.3 billion since the start of Putin's invasion, the second highest contribution in the world after the United States, which demonstrates that our commitment to democracy and open societies remains steadfast. In that context, the Prime Minister and I both recognise the need to increase defence spending. But before we make that commitment, it is necessary to revise and update the integrated review, written

as it was before the Ukraine invasion. I have asked for that vital work to be completed ahead of the next Budget and today I confirm that we will continue to maintain the defence budget at least 2% of GDP to be consistent with our NATO commitment.

Another important international commitment is to overseas aid. The OBR's forecasts show a significant shock to public finances, so it will not be possible to return to the 0.7% target until the fiscal situation allows. We remain fully committed to that target, and the plans I have set out today assume that official development assistance spending will remain around 0.5% for the forecast period. As a percentage of GNI, we were the third highest donor in the G7 last year, and I am proud that our aid commitment has saved thousands of lives around the world. I look forward to working closely with the Minister of State, Foreign, Commonwealth and Development Office, my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell), now rightly back in his place in Cabinet, to make sure that we continue to play a leadership role in tackling global poverty.

The United Kingdom has also been a global leader on climate change, cutting emissions by more than any other G20 country. But with the existential vulnerability we face, now would be the wrong time to step back from our international climate responsibilities, so I also confirm that, despite the economic pressures, we remain fully committed to the historic Glasgow climate pact agreed at COP26, including a 68% reduction in our own emissions by 2030.

I turn to education. Being pro-education is being pro-growth. But providing our children with a good education is not just an economic mission, it is a moral mission, one to which my right hon. Friend the Prime Minister has always been deeply committed. Thanks to the efforts of successive Conservative Education Ministers, in particular my right hon. Friends the Members for Surrey Heath (Michael Gove) and for Bognor Regis and Littlehampton (Nick Gibb), we have risen nine places in the global league tables for maths and reading in the last seven years.

I still, however, have concerns that not all school leavers get the skills they need for a modern economy. But for the first time ever, this country has a Conservative Education Secretary, my right hon. Friend the Member for Chichester (Gillian Keegan), who left school at 16 to become an apprentice, and knows first-hand why good skills matter. There are many important initiatives in place, but as Chancellor I want to know the answer to one simple question: will every young person leave the education system with the skills they would get in Japan, Germany or

Switzerland? So, I have appointed Sir Michael Barber to advise me and my right hon. Friend the Education Secretary on the implementation of our skills reform programme.

As we raise the skill levels of our school leavers, I want also to ensure that, even in an economic crisis, the improvement in school standards continues to accelerate. Some have suggested putting VAT on independent school fees as a way of increasing core funding for schools, which would raise about £1.7 billion. But according to certain estimates, that would result in up to 90,000 children from the independent sector switching to state schools, giving with one hand only to take away with another.

So instead of being ideological, I am going to be practical: because we want school standards to continue to rise for every single child, we are going to do more than protect the schools budget—we are going to increase it. I can announce today that next year and the year after, we will invest an extra £2.3 billion per annum in our schools. Our message to heads, teachers and classroom assistants is: thank you for your brilliant work. We need it to continue, and in difficult economic circumstances, a Conservative Government are investing more in the public service that defines all our futures.

The service we depend on more than any other is the NHS. As a former Health Secretary, I know how hard people are working on the frontline and how much they are struggling after the pandemic. The biggest issues are workforce shortages and pressures in the social care sector, so today I address them both.

On staff shortages, the former Chair of the Health and Social Care Committee put forward the case for a long-term workforce plan. He even wrote a book about it, which I have read. [Laughter.] I have listened carefully to his proposals and I believe that they have merit, so the Department of Health and Social Care and the NHS will publish an independently verified plan for the number of doctors, nurses and other professionals we will need in five, 10 and 15 years' time, taking full account of the need for better retention and productivity improvements.

I have also listened to extensive representations about the challenges facing the social care sector. It did a heroic job looking after children, disabled adults and older people during the pandemic. Its 1.6 million employees work incredibly hard, but even outside the pandemic, the increasing number of over-80s is putting massive pressure on their services.

I also heard the very real concerns from local authorities, particularly about their ability to deliver the Dilnot reforms immediately, so I will delay the implementation of this important reform for two years, allocating the funding to allow local authorities to provide more care packages. I also want the social care system to help free up some of the 13,500 hospital beds that are occupied by those who should be at home, so I have decided to allocate for adult social care additional grant funding of £1 billion next year and £1.7 billion the year after. Combined with savings from the delayed Dilnot reforms and more council tax flexibilities, this means an increase in funding available for the social care sector of up to £2.8 billion next year and £4.7 billion the year after. That is a big increase.

How we look after our most vulnerable citizens is not just a practical issue but one that speaks to our values as a society, so today's decision will allow the social care system to deliver an estimated 200,000 more care packages over the next two years—the biggest increase in funding under any Government of any colour in history.

The NHS budget has been increased to record levels to deal with the pandemic, and today I am asking the NHS to join all public services in tackling waste and inefficiency. We want Scandinavian quality alongside Singaporean efficiency, and both better outcomes for citizens and better value for taxpayers. That does not mean asking people on the frontline, often exhausted and burned out, to work harder, which would not be possible or fair, but it does mean asking challenging questions about how to reform all our public services for the better. So with respect to the NHS, I have asked the former Health Secretary and chair of the Norfolk and Waveney integrated care system, Patricia Hewitt, to help me and the Health Secretary to achieve that by advising us on how to make sure that the new integrated care boards, the local NHS bodies, operate efficiently and with appropriate autonomy and accountability. I have also had discussions with NHS England about the inflationary pressures on their budgets.

I recognise that efficiency savings alone will not be enough to deliver the services we all need, so, because of difficult decisions taken elsewhere today, I will increase the NHS budget, in each of the next two years, by £3.3 billion. The chief executive of NHS England, Amanda Pritchard, has said that this should provide sufficient funding for the NHS to fulfil its key priorities. She has said that it shows the Government are serious about their commitment to prioritise our NHS. With £3.3 billion for the NHS and £4.7 billion for social care, there is a record £8 billion package for our health and care system. That is a Conservative Government putting the NHS first.

The NHS and schools in Scotland, Wales and Northern Ireland face equivalent pressures, so the Barnett consequential of today's decisions mean an extra £1.5 billion for the Scottish Government, £1.2 billion for the Welsh Government, and £650 million for the Northern Ireland Executive. That means more resources for the schools and hospitals in our devolved nations next year, the year after and every year thereafter.

Our support for public services means that despite needing to find £55 billion in savings and tax rises, we are protecting the amount going into public services in real terms over the five-year period; but if we are to sustain our public services and avoid a doom loop of ever higher taxes and ever lower dynamism, we need economic growth, so I now turn—[Interruption.] Opposition Members have never been interested in growth, but we on this side of the House are. [Interruption.]

### **Mr Speaker**

Order. I want to get to the end of the autumn statement, like the rest of the people of this country.

### **Jeremy Hunt**

Let us start with a difficult message for the party opposite: you cannot borrow your way to growth. Sound money is the rock upon which long-term prosperity rests; but it is not enough on its own. Our plan is designed to build a high-wage, high-skill economy that leads to long-term prosperity. In his Mais lecture, my right hon. Friend the Prime Minister identified the keys to doing that: people, capital and ideas. Today's increase in the education budget demonstrates our commitment to people and skills, and I will now outline three further growth priorities: energy, infrastructure and innovation.

Cheap, low-carbon, reliable energy must sit at the heart of any modern economy, but Putin's weaponisation of international gas prices has helped to drive the cost of our national energy consumption right up. This year we will be spending an extra £150 billion on energy compared to pre-pandemic levels, the equivalent of paying for an entire second NHS through our energy bills.

In 2019, a third of global emissions came from energy supply, so unless we act radically to change our approach, we will both bankrupt our economy and harm our planet. Over the long term, there is only one way to stop ourselves being at the mercy of international gas prices: energy independence combined with energy efficiency—energy independence so neither Putin nor anyone else can use energy

to blackmail us, and energy efficiency to reduce demand and climate impact as much as possible.

Britain is a global leader in renewable energy. Last year, nearly 40% of our electricity came from offshore wind, solar and other renewables. Since 2010, our renewable energy production has grown faster than any other large country in Europe. But we need to go even further, with a major acceleration of home-grown technologies like offshore wind, carbon capture and storage, and, above all, nuclear. This will deliver new jobs, industries and export opportunities, and secure the clean, affordable energy we need to power our future economy and reach net zero. So today I can announce the Government will proceed with the new nuclear power plant at Sizewell C.

Subject to final Government approvals, the contracts for the initial investment will be signed with relevant parties, including EDF, in the coming weeks. This will create 10,000 highly skilled jobs and provide reliable, low-carbon power to the equivalent of 6 million homes for 50 years. Our £700 million investment is the first state backing for a nuclear project in over 30 years and represents the biggest step in our journey to energy independence.

But energy efficiency is just as important, so today we set our country a new national ambition: by 2030 we want to reduce energy consumption from buildings and industry by 15%. Reducing demand by this much means, in today's prices, a £28 billion saving from our national energy bill, or £450 off the average household bill. This must be a shared mission, with families and businesses playing their part—but so will the Government play our part.

In this Parliament, we are already planning to invest in energy efficiency a total of £6.6 billion. Today I am announcing new funding, from 2025, of a further £6 billion—doubling our annual investment to deliver this new national ambition. Our commitment to the British people is, over time, to remove this single biggest driver of inflation and volatility facing British businesses and consumers. My right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy will publish further details on our energy independence plans and launch a new energy efficiency taskforce shortly.

If a modern economy needs secure, clean and affordable energy, it also needs good roads, rail, broadband and 5G infrastructure. Such connections matter because they allow wealth and opportunity to spread to every corner of the country. That is why infrastructure is our second growth priority. Thanks to

decisions by this Conservative Government, right now workers right across the country are building or maintaining thousands of miles of roads and railways, installing mobile masts and broadband cables to connect the remotest parts of rural Britain, building and repairing hospitals, and constructing new wind turbines in the North Sea.

When looking for cuts, capital is sometimes seen as an easy option, but doing so limits not our budgets but our future. So today I can announce that I am not cutting a penny from our capital budgets in the next two years, and I am maintaining them at that level in cash terms for the following three years. That means that although we are not growing our capital budget as planned, it will still increase from £63 billion four years ago to £114 billion next year and £115 billion the year after, and will remain at that level—more than double what it was under the last Labour Government.

Smart countries build on their long-term commitments rather than discarding them, so today I confirm that because of this decision, alongside Sizewell C, we will deliver the core Northern Powerhouse Rail, HS2 to Manchester, East West Rail, the new hospitals programme and gigabit broadband roll-out. All these and more will be funded as promised, with over £600 billion of investment over the next five years to connect our country and grow our economy.

Our national Conservative mission is to level up economic opportunity across the country. That, too, needs investment in infrastructure, so I will proceed with round 2 of the levelling-up fund, at least matching the £1.7 billion value of round 1. We will also drive growth across the UK by working with the Scottish Government on the feasibility study for the A75, supporting the advanced technology research centre in Wales and funding a trade and investment event in Northern Ireland next year.

But to unlock growth right across the country, we need to make it easier for local leaders to make things happen without banging on a Whitehall door. Our brilliant Mayors such as Andy Street and Ben Houchen have shown the power of civic entrepreneurship. We need more of this inspirational local leadership, so today I can announce a new devolution deal that will bring an elected Mayor to Suffolk, and deals to bring Mayors to Cornwall, Norfolk and an area in the north-east to follow shortly. We are also making progress towards trailblazer devolution deals with the Greater Manchester Combined Authority and the West Midlands Combined Authority, and soon over half of England will be covered by devolution deals. Taken together, that £600 billion investment in our future growth

represents the largest investment in public works for 40 years, so our children and grandchildren can be confident that this Conservative Government are investing in their future.

Along with energy and infrastructure, our third growth priority is innovation. We have a national genius for innovation. Britain is the land of Newton, Darwin, Fleming, Faraday, Franklin, Gilbert and Berners-Lee, the home of three of the world's top 10 universities, and the country with the largest life sciences and technology sectors in Europe. Thanks to successive Conservative Governments, we remain a science superpower. I salute the work of the former Chancellor George Osborne, of my right hon. Friend the Member for Tunbridge Wells (Greg Clark) and of the Science Minister, my hon. Friend the Member for Mid Norfolk (George Freeman), for laying the vital foundations to make this possible.

21st-century economies will be defined by new developments in artificial intelligence, quantum technologies and robotics, but we need to be better at turning world-class innovation into world-class companies. As a former entrepreneur—I had to get that in somewhere—I want to combine our technology and science brilliance with our formidable financial services to turn Britain into the world's next Silicon Valley.

We learned from the success of Nigel Lawson's big bang in 1986 that smart regulatory reform can spur investment from all over the world, so today, using our Brexit freedoms, I confirm the next steps in our supply-side transformation. By the end of next year, we will decide on and announce changes to EU regulations in our five growth industries: digital, life sciences, green industries, financial services and advanced manufacturing. I have asked the chief scientific adviser Sir Patrick Vallance, who did such a brilliant job in the pandemic, to lead our work on how to do this.

The second lesson of Nigel Lawson's big bang is that the most important driver of global success is not tax subsidies but competition, so we will legislate to give the Digital Markets Unit new powers to challenge monopolies and increase the competitive pressure to innovate. To further spur competition, I have listened to requests from businesses, and today I am removing import tariffs on over 100 goods used by UK businesses in their production processes, from car seat parts to bicycle frames.

I will also change our approach to investment zones, which will now focus on leveraging our research strengths by being centred on universities in left-behind

areas, to help to build clusters for our new growth industries. My right hon. Friend the Levelling Up Secretary will work with Mayors, devolved Administrations and local partners to achieve this, with the first decisions announced ahead of the spring Budget.

I have heard some speculation that we might cut the research and development budget today, but I believe that that would be a profound mistake. In our 2017 manifesto, we announced a target to invest 2.4% of our GDP in R&D; the latest Office for National Statistics data suggests that the UK is close to meeting that target. I want to go further, so today I am protecting our entire research budget and confirming that we will increase public funding for R&D to £20 billion by 2024-25 as part of our mission to make the United Kingdom a science superpower.

Nigel Lawson's big bang inspires us today, but nearly 40 years on we must stay true to its mission to make the UK the world's most innovative and competitive global financial centre, so to further support investment across our economy, I also announce that we are publishing our decision on Solvency II, which will unlock tens of billions of pounds of investment for our growth-enhancing industries.

Our three priorities for growth are energy security, investment in infrastructure, and a plan to turn the United Kingdom into the world's next silicon valley, transforming British intellectual genius into British commercial success. But alongside British genius, we must remember another great national quality: British compassion. The final part of our plan protects the most vulnerable, and it is to that that I now turn.

Strong public finances are not just to make accountants happy. It is because we took difficult decisions in 2010 that we could afford record funding increases for the NHS, the landmark furlough scheme and now the energy price guarantee. Today, the discipline that we have shown means that we can provide targeted support to help our most vulnerable citizens with the cost of living.

One of the biggest worries for families is energy bills. I pay tribute to my predecessor, my right hon. Friend the Member for Spelthorne (Kwasi Kwarteng), and to the former Prime Minister, my right hon. Friend the Member for South West Norfolk (Elizabeth Truss), for their leadership in this area. This winter, we will stick with their plan to spend £55 billion to help households and businesses with their energy bills—one of the largest support plans in Europe. From April, we will continue the energy price guarantee for a further 12 months at a higher level of £3,000 per year for the average household. With prices forecast to remain

elevated throughout next year, this will mean an average of £500 of support for every household in the country.

At the same time, for the most vulnerable, we will introduce additional cost of living payments next year of £900 to households on means-tested benefits, £300 to pensioner households and £150 for individuals on disability benefit. We will also provide an additional £1 billion of funding to enable a further 12-month extension to the household support fund, helping local authorities to assist those who might otherwise fall through the cracks. For those households that use alternative fuels such as heating oil and liquefied petroleum gas to heat their homes, I am today doubling the support from £100 to £200, which will be delivered as soon as possible this winter. Before the end of this year, we will also bring forward a new targeted approach to support businesses from next April.

But I want to go further to support the people most exposed to high inflation. Around 4 million families live in the social rented sector—almost one fifth of households in England. Their rents are set at 1% above the September inflation rate, which means that on current plans they are set to see rent hikes next year of up to 11%. For many, that would just be unaffordable, so today I can announce that this Government will cap the increase in social rents at a maximum of 7% in 2023-24. Compared with current plans, that is a saving for the average tenant of £200 next year.

This Government introduced—[Interruption.] I thought they cared about the most vulnerable! This Government introduced the national living wage, which has been a giant step in eliminating low pay, so today I am accepting the recommendation of the Low Pay Commission to increase it next year by 9.7%. This means that, from April 2023, the hourly rate will be £10.42, which represents an annual pay rise worth over £1,600 to a full-time worker. It is expected to benefit over 2 million of the lowest-paid workers in our country, and it keeps us on track for our target to reach two thirds of median earnings by 2024. It is the largest increase in the UK's national living wage ever.

There have been some representations on keeping the uplift to working-age and disability benefits below the level of inflation given the financial constraints we face, but that would not be consistent with our commitment to protect the most vulnerable, so today I commit to uprating such benefits by inflation, with an increase of 10.1%. That is an expensive commitment, costing £11 billion, but it means that 10 million working-age families will see a much-needed increase next year, which speaks to our priorities as a Government and our priorities as a nation.

On average, a family on universal credit will benefit next year by around £600. To increase the number of households that can benefit from this decision, I will also exceptionally increase the benefit cap by inflation next year.

Finally, I have talked a lot about the British values of compassion, hard work, dignity and fairness, but there is no more British value than our commitment to protect and honour those who built the country we live in, so to support the poorest pensioners I have decided to increase pension credit by 10.1%, which is worth up to £1,470 for a couple and £960 for a single pensioner in our most vulnerable households, but the cost of living crisis is harming not just our poorest pensioners but all pensioners.

Because we have taken difficult decisions elsewhere today, I can also announce that we will fulfil our pledge to the country to protect the pension triple lock. In April, the state pension will increase in line with inflation, an £870 increase, which represents the biggest ever increase in the state pension. To the millions of pensioners who will benefit from this measure, I say: “Now and always, this Government are on your side.”

There is a global energy crisis, a global inflation crisis and a global economic crisis, but the British people are tough, inventive and resourceful. We have risen to bigger challenges before. We are not immune to these headwinds but, with this plan for stability, growth and public services, we will face into the storm. There may be a recession made in Russia, but there is a recovery made in Britain, and we commit to our plan today with British resilience and British compassion.

Because of the difficult decisions we take today, we will strengthen our public finances, bring down inflation, protect jobs and build the first state-backed nuclear power station in 30 years. We will continue with the biggest programme of capital investment in 40 years, protect standards in schools, cut NHS waiting times, fund social care, cap energy bills and support those on benefits. We will protect workers with the biggest ever increase in the national living wage, and we will protect our pensioners with the triple lock and the biggest ever increase in the state pension.

This is a balanced plan for stability, growth and public services. It shows that you do not need to choose either a strong economy or good public services. With the Conservatives, and only with the Conservatives, you get both. I commend this statement to the House.

**Mr Speaker**

I call the shadow Chancellor of the Exchequer, Rachel Reeves.

12:24:00

**Rachel Reeves (Leeds West) (Lab)**

I thank the Chancellor for his statement.

Here we are, the end of 2022. Three Prime Ministers, four Chancellors and four Budgets later, where do we find ourselves? In a worse place than we started the year, with inflation spiralling, growth plunging and living standards falling. Britain is a great country with fantastic strengths but, because of this Government's mistakes, we are being held back. What people will ask themselves at the next election is, "Are me and my family better off with a Conservative Government?" And the answer is no.

The mess we are in is the result of 12 weeks of Conservative chaos and 12 years of Conservative economic failure: growth dismal, investment down, wages squeezed and public services crumbling. And what does the Chancellor have to offer today? More of the same, with working people paying the price for his failure. The Chancellor should have come here today to ask for forgiveness. At the very least, he could have offered an apology but, no, instead he says his predecessor was correct in his analysis at the mini-Budget that put our economy into freefall. All the country got today was an invoice for the economic carnage that this Government have created. Never again can the Conservatives be seen as the party of economic competence.

It has been clear for weeks what the Government want to do. Step one: blame global factors. Step two: pretend the mini-Budget has nothing to do with any of them. Step three: portray the Chancellor and the Prime Minister as the people who can clear up the mess of their party's own making. And step four: attempt to lay some so-called traps for the Labour party. They have even had George Osborne in to advise them on how to party like it is 2010.

But this is not a game. This is about people's lives and livelihoods. This is about people's ability to pay the mortgage, to pay the rent and to pay the bills after 12 years of Conservative stagnation that have left our country so much worse off. It is about the fact that, when the global storm hit, we were uniquely exposed because of the choices that the Conservatives made.

Nobody doubts that the covid pandemic and the war in Ukraine have had profound implications, and the whole House is united in its condemnation of Russia's aggression, but Britain's problems started before the covid pandemic and before Russia's illegal invasion of Ukraine. The UK has grown by an average of 1.4% a year under the Conservatives, compared with 2.1% a year in the previous Labour years. We are the only G7 economy that is still poorer than before the pandemic.

As the Governor of the Bank of England told the Treasury Committee yesterday, the US has grown by 4.2% since the pandemic and the GDP of eurozone countries is 2.1% higher, yet the UK is 0.7% smaller than at the start of the pandemic. We are not recovering; we are heading into recession, as the OBR confirmed today. The Governor described these differences as dramatic and stark. How does the Chancellor describe them, and how does he explain them?

This is the price of a decade of Tory choices and economic failure, and it is set to continue, with the IMF forecasting that, of the 38 most industrialised economies, the UK will have the slowest growth of any of them in the next two years. The Chancellor is saying today that he will be honest, so let us be honest. No one was talking about cuts to public spending two months ago, and no other advanced economy is cutting spending or increasing taxes on working people as it heads into recession. This Government have forced our economy into a doom loop, where low growth leads to higher taxes, lower investment and squeezed wages, with the running down of public services, all of which hits economic growth again. Instead of learning from the mistakes of the last decade, they are simply repeating them. We need to break free from this vicious cycle of stagnation, with fairer choices and a proper plan for economic growth.

The Chancellor and Prime Minister are trying to convince us that Britain faces problems that are nothing to do with them and that the mini-Budget, which imposed a Tory mortgage premium, put pensions in peril and trashed our reputation around the world, was all just a bad dream. It is their Bobby Ewing strategy, with Downing Street as "Dallas". Old cast members return as if nothing has happened, with tangled plot lines to keep the audience, but the truth is that the series has lost all credibility and everyone knows it is long past time that it was cancelled. The problem for the British people is that this is not a dream. This is the everyday nightmare of Tory Britain.

The Conservatives would have us believe that they are not responsible for the last 12 years of failure. In doing so, they take the British people for fools. Millions are already worried sick about how to make ends meet and now face the added stress

of higher mortgage payments, the prospect of home ownership becoming more and more remote, and rents going through the roof.

What does that mean? Family holidays cancelled, savings depleted, hopes for the future replaced by sleepless nights, and all of that on top of the fact that the average worker is earning less today than when the Tories came to power 12 years ago. The Government have presided over the biggest wage squeeze in centuries. This was a crisis made in Downing Street and it is ordinary working people who are paying the price.

As I was coming into Westminster today, I read a timely warning from the police about pickpockets in the area. They warn:

“You may have an idea of what a pickpocket looks like but they’re far less likely to stand out in a crowd than you might think...they may work in teams to distract the target...One of their tactics is...where a thief will appear to be over-friendly...while pickpocketing you.”

I must report that in the last hour the Conservatives have picked the pockets, purses and wallets of the entire country, as the Chancellor has deployed a raft of stealth taxes taking billions of pounds from ordinary working people—a Conservative double whammy that sees frozen tax thresholds and double-digit inflation erode the real value of people’s wages.

Just one of those freezes in the personal allowance will cost the average earner more than £600, making it even harder to make ends meet. At the same time, the Government are forcing local councils to put up council tax. The Chancellor seems to have confirmed today a council tax bombshell worth £100 for a typical band D property, taking council tax for such properties above £2,000 for the first time. Local people, including those with Conservative councils, will be forced to pay more because of the destruction that the Conservatives have wreaked on our economy.

This comes at a time when councils are already in dire straits because of cuts made by Conservative Governments. They probably sat around the tables in Downing Street thinking that this was some clever trick, but no one is to blame except the Government that have been in power for 12 years—not local authorities, but this Tory Government—for more taxes, more inflation and higher mortgages. Instead of tricks and stealth taxes, why do they not have a proper economic plan for Britain that puts working people at its heart? Why do they refuse to have a real

industrial strategy that gives business certainty, unlocks investment and means that Britain can once again lead the world in the industries of the future?

The Chancellor is trying to claim that today's statement is fair, yet we learn that of all the things that he could save from the wreckage of the kamikaze Budget that he chooses to press ahead with, it is their plan to lift the cap on bankers' bonuses. At a time when he is urging wage constraints for everybody else, how can he remotely claim that that is fair?

After weeks of, "Will he? Won't he?", we learn today that the Chancellor will not, after all, be clamping down on non-doms—tax free income for millionaires while millions face frozen tax allowances and council tax highs. How can he possibly claim that this is fair? He refuses to act, and I wonder why. Maybe that was the only policy that he cannot get signed off by No. 10 Downing Street. I say if you make Britain your home, you should pay your taxes here.

What about the private equity managers, earning millions, who benefit from a tax break on their bonuses, which means that they pay far less tax as a proportion of their incomes than ordinary hardworking people? Did the Chancellor close that loophole today and make sure that they pay their fair share of tax? He did not. He made ordinary working people pay the price instead.

Time and again we have seen how quick the Conservatives are to raise taxes on working people. The Chancellor has even compared himself to Scrooge. He is asking working people to take the hit, with less money in their pockets in the run up to Christmas, but also for years to come. But if you are a banker, a non-dom or a private equity manager, do not worry: Scrooge has not cancelled your Christmas. [Interruption.] An hon. Member asks from a sedentary position, "What about taxes?" Well, non-doms do not pay taxes—that is the whole point. The Government could close that loophole today.

And that is before we even get on to the energy giants. After months of resistance from this Prime Minister, the Government have finally been dragged, kicking and screaming, to extend the windfall tax that Labour has been calling for since January. Yet they still leave billions of pounds on the table, profits that are the windfalls of war, because they have failed to close a huge loophole that they created that hands out massive tax breaks to those oil and gas giants for doing the things that they were going to do anyway.

For those wondering why some energy giants have paid no windfall tax in the last quarter, despite record profits and eye-watering bills for consumers, the answer is that decisions that this Prime Minister made when he was Chancellor, confirmed by the current Chancellor, let the energy giants off the hook once again.

The Government have announced plans for energy bills next year, but bill payers will still see prices go up next spring, leaving far too many people wondering how they will make ends meet. For every pound of windfall tax left on the table, people are faced with higher prices on their bills. The Tories' failure on energy goes back much further. They closed down gas storage, blocked onshore wind and solar, and slashed support for home insulation.

Today the Chancellor says that he will act on energy efficiency, but I am afraid that is all far too late. We called for the insulation of 2 million homes a year more than 12 months ago. That could cut bills by £1,000 not just for one year, but for every year to come, and they did nothing. Insulation levels in 2021 were 20 times lower than in 2010 because of their neglect, and now he proposes a package, but we have to wait until 2025 for them to act. Why? People are facing a bills crisis now. Years and years will have gone by while he sits back. Millions of families could have been helped and they have not been.

And still the Government block renewable power, such as onshore wind, that could bring energy bills down, create good jobs in all parts of the country, and ensure that Britain can lead the way in the industries of the future. Clean power is the right solution to the energy price crisis, but, yet again, the Conservatives have failed. They have failed to protect us from future shocks, failed to tackle the cost-of-living crisis, and failed to take the decisions in our country's national interest. It is because they have failed to grow the economy that they are having to bring forward yet another statement with tax rises and spending cuts.

The last Prime Minister and Chancellor embarked on a reckless sugar rush that abandoned fiscal rectitude, and the Conservatives all cheered for it, but the current Prime Minister and Chancellor have given up on growth altogether. How do we know? It is because the Office for Budget Responsibility has seen their plans and downgraded growth in the months and years ahead. Achieving the levels of growth that this country needs is not like flicking on a switch. We need a serious long-term plan to get our economy growing again, powered by the talents and efforts of millions of ordinary working people and thousands of businesses. We need a fairer, greener, more dynamic economy, creating good jobs in every part of the country—in homegrown renewables, in green hydrogen, in carbon capture

and storage—with Labour’s green prosperity plan and a modern industrial strategy where Government work hand in hand with business, properly fixing business rates so that small businesses and our high street businesses thrive again, fixing the holes in the Government’s Brexit deal to help UK businesses to trade and compete in the world, and ensuring that Britain is the best place in which to start and grow a business. That is what a Labour Government will do.

While our public services are struggling and working people are being stretched, the rampant waste and cronyism from this Government continue apace. It does not seem to concern the Chancellor that his Government dished out £3.5 billion of contracts to friends and donors of the Conservative party. The latest Prime Minister spent so much time when he was Chancellor practising his signature for his glossy Instagram graphics that he failed to put in place even the most simple checks on covid support. That is why the former Treasury Minister, Lord Agnew, described the current Prime Minister’s fraud failures as “schoolboy errors”. The Prime Minister left the doors to the vaults wide open to organised criminals and drugs gangs who helped themselves to £6.7 billion of taxpayers’ money—money that the Government are failing to retrieve.

Last month, it was slipped out that the Taxpayer Protection Taskforce, set up to get this money back, is being wound down. The Government have just given up and the Conservatives are turning yet again to our crucial public services to make up the money. The fraudsters may think that they have got away with it, but a Labour Government will hunt them down for everything that they have taken from the taxpayer. The country is sick of being ripped off by the Tories; we want our money back.

It is because of Tory failure that our crumbling public services are set to suffer even more. Ordinary people lose yet again. Never before have people paid so much in tax and yet got so little in return. At the weekend, the Chancellor admitted that the NHS was already on the brink of collapse. With 7 million people on NHS waiting lists, how much longer will that list get? Three in 10 people are leaving education without GCSE English and maths. What will that do to our society and our future economy? Why do the Tories have an ideological objection to putting VAT on school fees, which the Chancellor himself admits would raise £1.7 billion? By their actions it is clear that the Government do not value our public services or the contribution of those working in them. What do we hear today? Reviews on schools, the NHS workforce, social care and waste, but what we need is action. Now is the time for delivery, not more reviews.

The Chancellor had previously said that one of his biggest regrets as Health Secretary was failing to fix social care. Today, he has further delayed the Government's much-promised social care cap. This is yet another broken promise, after 12 years of Tory failure on social care. The Tories have trashed our public services and the statement today has proved that they are doing nothing to turn that around.

The Conservatives have crashed our economy, given up on growth and sent inflation through the roof and, as usual, it is ordinary working people who are paying the price. It is a familiar tune. Every mortgage they raise, every cut they make, every tax they hike, the Conservatives are costing you. What have we heard today? Yet more excuses and unfair choices. They have failed to tackle the cost-of-living crisis. They have failed to show how they will fix our public services. They have failed to show how they will deliver growth. They have no plan for the future of our country. After everything we have heard today, and after 12 long years of Tory failure, the conclusion we must come to is that Britain can no longer afford a Conservative Government.

### **Jeremy Hunt**

Today, we have announced tax rises and spending cuts of £55 billion. We can debate the reasons, but to govern is to choose and the shadow Chancellor did not answer the simplest of questions: does she back the need for a package of this size to bring down inflation? If Labour cannot answer, it is not fit to govern.

The shadow Chancellor says that it is the Government's fault, but with a made-in-Russia recession, a once-in-a-century pandemic, higher inflation in Europe, bigger cuts to growth in Germany, bigger interest-rate hikes in America, to blame this on a mini-Budget that was cancelled in three weeks is just not credible. Nor are her facts right. She said that the Government are making the recession worse. Well, today, the independent Office for Budget Responsibility says that we are making it shallower, saving 70,000 jobs.

The shadow Chancellor says that this is austerity 2.0, but, in the 2010 Parliament, spending fell about 3% a year. In this Parliament, even in the next two years, it will rise 3% a year. There is £11 billion for the NHS and schools. It is not just more for our public services; it is massively more than she has ever promised. Then she talked about our record over 12 years, so let us do that: growth higher than Germany, France, Italy or Japan; the lowest unemployment for nearly 50 years; good or outstanding schools up by a quarter; and 4 million more patients in good or outstanding hospitals. In other words, growth up, employment up, school

standards up and NHS funding up. Because she will not back this package, the British people today know that, under Labour, it is inflation worse, cost of living worse, unemployment worse and competitiveness worse. If we want stability, growth and funding for public services, the choice is plan or no plan. We have a plan. Where is hers?

**Mr Speaker**

I call the Chair of the Treasury Committee.

Harriett Baldwin (West Worcestershire) (Con)

It is good to see the return of the forecast from the official Office for Budget Responsibility. We all remember why a Conservative Government had to set it up. We will have the OBR in front of our Committee next Tuesday, when we can question the underlying assumptions of the forecast.

I welcome the fact that the Chancellor confirmed today that his announcements go with the grain of what the Bank of England is trying to do in bringing down inflation. That surely is the most important economic challenge for our country at the moment. But can he elaborate a bit more on his thinking? He has tasked the Secretary of State for Work and Pensions with helping back into work those who have left the workforce and he has announced welcome support for those on the welfare system of £900 next year. Can he talk us through his thinking on some of those cliff edges and incentives to work?

**Jeremy Hunt**

I welcome my hon. Friend to her chairmanship of the Select Committee; I know she will do a brilliant job. She makes an important point. It is essential that we work hand in glove with the Bank of England to bring down inflation. Today, the OBR confirmed that inflation is lower because of the decisions we take. She is right to focus on the worrying increase in the economically inactive, which is not just causing supply chain problems for businesses, but driving inflation. That is why we are lucky to have an excellent Work and Pensions Secretary who will make this his top priority in the work he is doing for the Prime Minister and who will bring his conclusions to this House as soon as possible.

**Mr Speaker**

I call the SNP spokesperson, Alison Thewliss.

### **Alison Thewliss (Glasgow Central) (SNP)**

The current Chancellor comes here today as the seventh Chancellor in seven years, and a mere 55 days after the last Chancellor came to this House to present his chaotic mini-Budget. His predecessor managed to crash the economy in 26 minutes; this Chancellor has spent the past 53 minutes trying to patch up those mistakes. The reality is that we will all be living with the disastrous consequences of Trussonomics for some time to come.

The Chancellor has brought forward new targets because he is failing to meet the old ones. His difficult choices are of nothing compared with what many of our constituents face. The Tories spent the summer squabbling in a leadership contest when they should have been preparing for the difficult winter ahead. Now the UK is £30 billion worse off because of the incompetence of the Conservative party. Scotland is paying a heavy price indeed for being in this Union.

The Tories are attempting to cut their way out of a recession. It will not work. Public sector workers deserve a proper pay rise to face the cost-of-living crisis that the Tories have created, and the Scottish Government do not have the same flexibility as this Chancellor to borrow or make changes in-year. Their existing budgets have already been squeezed and reprioritised and there is nothing left to cut.

The Chancellor says Scotland will get £1.5 billion in Barnett consequentials, yet the Scottish Government's budget is worth £1.7 billion less than when it was introduced last December. Scotland is being short-changed yet again. Will he listen carefully to what John Swinney has asked for and provide the funding Scotland deserves?

The Chancellor is proposing fiscal tightening on a scale not seen since George Osborne—and we are still living with the real consequences of those poverty-inducing policies: the two-child limit, the rape clause, the brutal benefits sanctions. The Glasgow Centre for Population Health has been clear that the previous round of Tory austerity caused 330,000 excess deaths. More of the same from this Chancellor is a price society cannot afford.

Restoring the triple lock and uprating benefits by inflation is not some victory to be celebrated. Barnardo's has described it as a "minimum first step". The rate of inflation announced by the Chancellor is not the actual rate of inflation now—nor, perhaps, will it be the rate of inflation by the time the measure comes into force. Again, the Government are not keeping step with the cost of living. Any

compassionate Government with an ounce of humanity would not have to be dragged to make such a decision.

The Chancellor talks about uprating the benefit cap—he should scrap the benefit cap. In Scotland, we have introduced the ground-breaking Scottish child payment and increased it to £25 per child per week, now up to the age of 16. There is no two-child limit in Scotland, because we value every child and want them all to have the best future. Will he commit to the same?

The Chancellor mentioned nothing in his statement for those struggling on no recourse to public funds, and nothing either for asylum seekers trying to survive on just 40 quid a week. Will he increase that support or, better yet, allow them to work and to contribute, as so many want to do?

Inflation is running at 11.1%, a 41-year high. For those in lower-income households, the Resolution Foundation says it runs at 12.5%, as more of their income goes on the essentials. The price of food is up 16.4% in a year, with basics such as bread, milk and pasta all increasing and squeezing household budgets. Combining that with the soaring cost of energy, households are finding it impossible to make ends meet.

Cornwall Insight has estimated that the energy price cap next year may come in at an eye-watering £3,702. I appreciate what the Chancellor has said about energy support, but his energy support package must be wider and deeper. It must lift those who are stuck on prepayment meters and make sure they can turn the heating on. Will he listen to National Energy Action, which is calling for a targeted energy price guarantee, similar to a social tariff, set at £1,500 annually until October 2024?

National Energy Action says that should be for all households on means-tested benefits and disability benefits, those in receipt of attendance allowance and carers allowance and those who are living on less than two thirds of the median household income, and it should be targeted to people living in areas of multiple deprivation. We all know that energy bills will not be reducing any time soon. The Chancellor must ensure that people get the help they need to stay safe and warm.

Insulation schemes should have happened already. The UK Government cut back dramatically on schemes while the Scottish Government invested. More than 100,000 homes in Scotland have been made more energy efficient, while the UK Government have ignored the problem. Now they say, “Wait until 2025.” It is not

even jam tomorrow; it is, “Huddle under a blanket for three years until we get to you.” It is absolutely ludicrous.

Will the Chancellor consider not a rent cap, but a rent freeze to help renters, as the Scottish Government have done? For those struggling with their mortgages, will he do all he can to encourage banks to support their customers, and will he fix and expand the restrictive support for mortgage interest scheme, to make it more accessible to those who need it?

There is little in this statement to give hope to businesses. Many that managed to survive the pandemic are now struggling to keep going. Increased labour and energy costs, supply chain difficulties and the crash in the pound have all made a difficult situation so much worse.

I have raised many times in this place the impossibly high contracts that companies are having to sign for their energy bills right now, and the Chancellor was not at all clear how he expects them to keep going once the reprieve finishes in the spring. Companies cannot wait any longer for answers, because for too many it will be too much. We know insolvencies are already on the rise, and with companies going bust, rising unemployment will inevitably follow.

We know that recession has a bigger impact on younger workers. When we look at the Chancellor’s statement, the minimum wage rates are still lagging behind for younger workers. They are being discriminated against on the basis of their age, and that continues to be unacceptable.

There was also nothing in the Chancellor’s statement about carbon capture and storage in the north-east of Scotland. Why not? There was a 45% hike on electricity generators—more than on oil and gas—which will hammer Scotland’s renewables sector.

I will give the Chancellor some opportunities to bring some cash into the UK Government’s coffers. The London School of Economics says that ending the non-dom status could bring in £3.2 billion of additional tax. Taxing dividends at the same rate as income from work would stand to raise more than £6 billion a year.

For some time now, big companies have been engaging in significant share buybacks. Oil and gas, financial services and other companies are using share buybacks because their mega-profits are more than they know what to do with. Those profits are not being invested in new development; they are simply being

creamed off. It is estimated that FTSE 100 firms are now due to return £55.5 billion to their shareholders via share buybacks this year.

The Institute for Public Policy Research estimates that a one-off 25% windfall tax on share buybacks of FTSE-listed companies could raise £11 billion in a single year. Even if companies were discouraged from buying back shares under the scheme, it would lead to higher reinvestment in development rather than profits. Why would the Chancellor pass up such an economic opportunity?

The Chancellor should also grow the tax base by increasing immigration and improving the lot of those who have already done us the significant honour of coming to live, work and study in our communities. We should thank them, not tell them they are not welcome. It is beyond time that the UK had a sensible, grown-up conversation about immigration. We on the SNP Benches are clear that immigration is an economic good. The OBR forecasts that higher net migration reduces pressures on Government debt over time. The Chancellor should consider that.

Finally, I come to the policy that unites all the Unionist parties in this House: Brexit. The Tories, Labour, the Lib Dems—all Brexiteers now, fully committed to this futile project of deliberate self-destruction. Dr Swati Dhingra of the Bank of England's Monetary Policy Committee told the Treasury Committee yesterday:

"It's undeniable now that we're seeing a much bigger slowdown in trade in the UK"

than in the rest of the world. Wages are lower, business investment is lower, and the UK is underperforming in both imports and exports. That political choice has brought us here today, to the Chancellor's decisions, which will affect us all but will hit the least well off the very hardest.

The economist Michael Saunders said this week:

"If we hadn't had Brexit, we probably wouldn't be talking about an austerity budget".

Put that on the side of a bus.

Scotland did not vote for this. We did not choose austerity and we did not choose Brexit. The OBR says that living standards are to fall by 7% over the next two years.

It ought to be of no surprise to anybody that just shy of half of Scots think the UK will not exist in its current form in the next five years. This is a UK so weak that no one would wish to join it. Scotland cannot be forced to stay in broke, broken Brexit Britain.

### **Jeremy Hunt**

I thank the hon. Lady for her comments. She is complaining about economic instability damaging business in Scotland, but she supports the most destabilising policy of all: separation from the United Kingdom. She complained about Brexit, but 1 million voters in Scotland voted for Brexit, and we are implementing the will of the British people. Behind the sparring in this House, we actually have very good relations with the Scottish Government. My right hon. Friend the Chief Secretary to the Treasury has already met John Swinney, the Finance Minister, and we have good co-operation.

I need to correct the hon. Lady on one point. She said that we are not investing in energy efficiency. What I said—if she listened to my words—is that in this Parliament we are spending £6.6 billion in energy efficiency, and a further £6 billion from 2025. I understand that separation means more to her than anything else in politics, but families in Scotland heard other things today. They heard about the £600 million for the Scottish NHS, £385 million for schools and more than £4 billion to help Scottish families with their energy bills, on top of £4 billion to build the latest frigates. That is because we are more than neighbours; we are family, and Conservatives always back families.

### **Mrs Theresa May (Maidenhead) (Con)**

I welcome and commend my right hon. Friend's and the Government's commitment to sound money and sound public finances. I also welcome the commitment my right hon. Friend has given to innovation and R&D in developing and rebuilding our economy, but could I ask him to go further and look again at the definition of what qualifies as R&D for tax credits? I think more can be done to boost our economy for the future.

### **Jeremy Hunt**

I thank my right hon. Friend for the tremendous support she gave to science and innovation when she was Prime Minister. That is very much something we want to build on as we go forward. We are looking at all the taxes around R&D relief, which we want to encourage. There has been a certain amount of abuse, but we particularly want to encourage use of the relief among small companies, which

can often be the most innovative, so I will take away her comments and maybe talk to her separately about what can be done better.

**Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op)**

The Chancellor has unveiled large numbers—or numbers that seem large—but let us be clear: that £3.3 billion a year is not even Osbornesque funding for the NHS. It is not enough to keep the NHS standing still. Will he level with us and tell us what percentage of the NHS budget that is?

**Jeremy Hunt**

I actually remember the Parliament from 2010 to 2015 because I was Health Secretary for quite a big chunk of it. I apologise to the hon. Lady, given the important role she plays in this House, for not being able to do that kind of maths in my head, but I can tell her that in that period, the NHS budget went up by 0.1% a year, and this is a lot more than that.

**Mr Speaker**

I call the Father of the House, Sir Peter Bottomley.

**Sir Peter Bottomley (Worthing West) (Con)**

The Chancellor will have noticed that Labour Members laughed when he talked about stability, growth and public services. Those who are watching our proceedings will have noticed, as will he, that when he was making his announcements about how we will ease the burden on the poorest and give opportunities to those who most need them, those Members were silenced. People around the country will give backing to his approach. We may have arguments about details, but the key point is to get stability and growth, and to defend public services.

**Jeremy Hunt**

I thank my hon. Friend the Father of the House. He is right. What I have discovered in the short time that I have been doing this job is that although one might arrive thinking that decisions about money are about numbers and spreadsheets, they are actually about values. Today, I have tried to express our values not just as a Conservative party but as a country. That means protecting the most vulnerable.

**Sarah Olney (Richmond Park) (LD)**

This cost-of-chaos Budget will cause untold pain for everyone, with soaring mortgages, unfair tax hikes and further cuts to our struggling public services. This Conservative Government have plunged the economy into chaos, and now they

are forcing ordinary families to pay for their incompetence. For an average family, it will mean thousands of pounds in increased taxes and bills, yet their local services are being cut while their real-terms pay is decreasing. My question to the Chancellor is simple: who voted for this? It certainly was not the British people.

### **Jeremy Hunt**

I think the hon. Lady must have written her speech before actually listening to what I said. She talked about soaring mortgages, but she might have heard the OBR confirm today that because of the decisions we have taken, inflation will be lower, and that means less pressure on interest rates and less pressure on mortgages. The truth is that the people of this country voted for a Conservative Government because they know that we will take the tough and difficult decisions necessary to deal with a global pandemic, a global energy crisis and a global economic crisis, and that is what we have done today.

### **Sajid Javid (Bromsgrove) (Con)**

The Chancellor rightly talked about the importance of global headwinds—we have seen two 100-year events in just the last three years. I commend him on his autumn statement, which has risen to the challenge that he has set out. He said rightly how important growth is; we know that it is the only way to improve opportunity and social mobility in our country in the long term. He has rightly protected investment in skills, capital infrastructure and R&D, but can he say a little more about how he will ensure that such investment is spent wisely and for the maximum possible impact?

### **Jeremy Hunt**

I thank my right hon. Friend—I always listen very carefully to what he says because of his enormous experience in economic posts in Government and in spending posts. The reason why growth matters is that it is not often something that can be delivered in one or two years—a long-term strategy is needed. I talked about Nigel Lawson's big bang in 1986, but that actually took decades to come to fruition and turn London and the UK into one of the world's great centres for financial services. Every Government have a duty to lay those foundations and make sure that, as far as possible, there is cross-party support for what they do.

### **Sir Stephen Timms (East Ham) (Lab)**

I am puzzled by the Chancellor's position on his predecessor's mini-Budget. He appeared to acknowledge its foolhardiness but then attempt to defend it. I agree with him about the importance of tackling inactivity, and we on the Work and Pensions Committee look forward to discussing that with the Secretary of State

on Wednesday week. I am relieved that working-age benefits and pensions are to be uprated in line with inflation, and I welcome—at last—the uprating of the benefit cap, which, logically, should happen every year. Will he also uprate the local housing allowance, which has been frozen since the pandemic at a time when rents have surged?

**Jeremy Hunt**

I will write to the right hon. Gentleman on the latter point. On the mini-Budget, let me be very clear that I agree with its priority of growth and with the energy price guarantee, which has given relief to thousands of families, but I do not agree with unfunded tax cuts.

**Mr David Davis (Haltemprice and Howden) (Con)**

This is one of the most difficult circumstances in memory in which an autumn statement has been delivered, so I congratulate the Chancellor on a remarkably skilful statement. Of course, fiscal responsibility is incredibly important, but one of the risks that goes with it is that of worsening a recession, so it is particularly important that on small businesses, investment and innovation, he came up with a radical new agenda for growth. When he delivers his Budget in the spring—after, I hope, gas prices and financial markets have stabilised—will he reinforce that agenda for growth?

**Jeremy Hunt**

My right hon. Friend always speaks wisely on these issues. I think that if we are going to go to the British people as a party that can deliver a plan for our economy, they need to see that we have made progress in the growth agenda, and they need to see where this country is going to excel, not just in the next two years but in the next 20, 30 or 40 years. They will reward the party that demonstrates that it understands how to do that—that is what we do know.

**Dame Margaret Hodge (Barking) (Lab)**

The Chancellor claimed in his statement that he was being fair and protecting the vulnerable. I think that those claims were false and that his measures simply entrench inequality. Freezing income tax bands hurts low earners much more than high earners, and the real-terms cuts to public services hit the poorest and the most vulnerable. He had choices. Why could he not tax income enjoyed from wealth at the same rate as income earned from work? Why could he not reform national insurance so that high earners and people of pensionable age pay a fair contribution? Why did he not address the inequities of the council tax system, whereby a Hartlepool homeowner whose property is valued at £150,000 pays

more in council tax than a Westminster homeowner whose property is worth £8 million, and why oh why did he not insist that His Majesty's Revenue and Customs does something about the £14.4 billion that it loses every year through avoidance and evasion? Does the Chancellor accept that his callous cuts and harsh hikes will do nothing to fix our unfair tax system?

**Jeremy Hunt**

I have enormous respect for the right hon. Lady, but I do not think that those comments really did her justice. These were £11 billion of spending increases for the NHS and schools, which will make an enormous difference to schools and hospitals in her constituency, as they will in mine. On many of her points, I have some agreement with what she said, and we have actually moved in her direction—on wealth taxes, for example. This is, I think, the biggest ever fall in the capital gains tax allowance. It is a very big change. With respect to high earners, we have had a big tax increase for anyone on the 45p rate—£1,000 a year for anyone on over £150,000—and we are publishing distributional analysis that shows the impact of all these decisions, which shows that the biggest gainers are people on low incomes.

**Dame Andrea Leadsom (South Northamptonshire) (Con)**

I congratulate my right hon. Friend on walking a tightrope very carefully. I think he has made a positive financial statement, but I ask him to look at energy in particular from the perspective of every family. Individual families need to reduce their own energy bills and energy usage. There is so much that can be done. I commend to him the 1922 Committee's work looking at how individuals can do things such as putting a timer on their Economy 7 boiler and reducing the temperature of their hot water. There are things that families could do for themselves, and the Chancellor could of course require energy suppliers to do much more by going house to house to help people who are really struggling this winter.

**Jeremy Hunt**

As ever, my right hon. Friend speaks very wisely. Today's statement was long, and I did not have time to go into the details, but my right hon. Friend the Business Secretary will announce a plan very much along the lines that she describes. It is a kind of new contract with families up and down the country. We are giving £106 billion of support to bring down energy bills this year and next. We are helping people, but we are also saying, "We need you to also do things to help improve energy efficiency." That is why the national plan to reduce energy efficiency by 15% is so important. We are asking people to help themselves by taking the kind

of measures that she mentions, so that when we are not able to offer sustained support people's energy bills are lower.

**Madam Deputy Speaker (Dame Eleanor Laing)**

Goodness! Here is a surprise. I call Chris Bryant.

**Chris Bryant (Rhondda) (Lab)**

That was a bit of a surprise, Madam Deputy Speaker. I do not think that you carried the House there.

This is really grim. The public finances are in a really difficult situation, and even more importantly the OBR figures show that disposable income for households will fall after what the Chancellor has done today by 7% over the next two years. Will he confirm that that is the biggest fall in our history? That means families not being able to afford things, and that is, in the end, at the doorstep of No. 10, is it not?

**Jeremy Hunt**

The first part of what the hon. Member said is broadly correct. There will be a very big fall—[Interruption.] Would Members like me to answer the question or not? There will be a big fall in disposable income, but the OBR says that the measures that I took today mitigate that, reducing the effect by around 25%. That is very important, but to say that somehow this has nothing to do with a global pandemic and a war in Ukraine—

**Chris Bryant**

Did I say that?

**Jeremy Hunt**

Yes. The hon. Member said it was at the doorstep of No. 10. I think that is to ignore the reality staring him in the face.

**Philip Dunne (Ludlow) (Con)**

I congratulate my right hon. Friend on the exceptionally skilful delivery and content of his statement. I point particularly to the work that he was just touching on in response to the question from my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) about energy efficiency. He has today set an interim target to reduce energy demand in this country by 15% by 2028. That is the first time that we have done that, as far as the Environmental Audit Committee, which I chair, is aware. It plugs a gap in the energy security strategy,

which did not address reducing demand. I urge him, in his discussions with the Secretary of State for Business, Energy and Industrial Strategy, to ensure that when the work of the energy efficiency taskforce is designed, there is engagement with the industry that has to deliver the reduction—unfortunately, neither the Treasury nor his predecessors in BEIS have done that adequately in previous schemes—to ensure that the scheme will endure, and actually work and deliver reductions at a household level.

### **Jeremy Hunt**

My right hon. Friend understands this extremely well, and he has done very good work with his Committee. This is a national ambition, which means that the Government and every family in the country need to work together to reduce our national energy bill by tens of billions of pounds, to meet our climate change commitments, and to reduce the average bill in this country at today's prices by nearly £500. It is really worth doing, and we are putting our money where our mouth is with billions of pounds more investment.

### **Ben Lake (Ceredigion) (PC)**

The Chancellor rightly acknowledged that inflationary pressure on the budgets of public services is severe, and has an impact on the delivery of key services. He announced an additional £1.2 billion for the budget of the Welsh Government. Will he explain whether that is real-terms increase to the budget? If not, how does he expect budgets in Wales to meet the rising cost of living?

### **Jeremy Hunt**

Because of the way the Barnett consequentials work, this is a cash amount that the Welsh Government will receive, but if they do what the English Government are doing with schools and hospitals —[Interruption.] If they do what the United Kingdom Government are doing in England with schools and hospitals, there will be a real-terms increase in Welsh schools and hospitals.

### **Dr Liam Fox (North Somerset) (Con)**

I congratulate my right hon. Friend on a balanced and skilful statement prioritising fiscal stability. He will be aware that some of us believe that the Bank of England maintained monetary conditions that were too loose for too long, but that it would also be a mistake to maintain monetary conditions that are too tight for too long. Can he therefore confirm that the anti-inflationary measures that he has taken today will mean that the pressure to raise interest rates will be minimised, and that there is a much greater chance that they will fall earlier than would otherwise have been the case?

### **Jeremy Hunt**

My right hon. Friend is absolutely right to focus on this issue, because every 1% increase in interest rates is about £850 more on the average mortgage, so it is hugely important to families up and down the country. The OBR has said that the measures that we have taken today will mean that inflation is lower than it would otherwise have been. That means that the Bank of England is under less pressure to increase interest rates, which for reasons that he knows are such a worry for so many families.

### **Rushanara Ali (Bethnal Green and Bow) (Lab)**

The Governor of the Bank of England said yesterday to the Treasury Committee that the mini-Budget has damaged our reputation internationally. He told us:

“People have said, ‘We did not think the UK would do this.’”

Why does the Chancellor not accept that it is because his party has destroyed our economic credibility and crashed the economy that the British people are now having to pay, in tax rises and public service cuts, the £55 billion of consolidation that he is talking about?

### **Jeremy Hunt**

I have been pretty straightforward about saying that there were mistakes in the mini-Budget, and within three weeks we reversed them. Long-term gilt yields, which are the thing that really drive the cost of borrowing for the country, are down to the levels they were at before the mini-Budget, and to try to say that all the problems we face now are a result of decisions that were reversed in three weeks does not stand any scrutiny at all.

### **Sir William Cash (Stone) (Con)**

My right hon. Friend argued for sound money and sound foundations. Would he be good enough to explain how it is that High Speed 2 will continue beyond Birmingham at a verifiable cost of at least £40 billion, when every independent report on HS2 condemns the project and confirms that phase 2 will make rail services to all west coast destinations north of Birmingham much worse? I ask him to make a clear commitment to keep this matter under review at all costs; it is in the national interest.

**Jeremy Hunt**

My hon. Friend is right that the increases in the budget for HS2 are disappointing, but a strong economy needs to have consistency of purpose, and that means saying we will make sure that we are a better-connected country. The lack of those connections is one of the fundamental reasons for the differences in wealth between north and south, which we are so committed to addressing. There is a bigger issue about the way that we do infrastructure projects: it takes too long, and the budgets therefore get out of control. We are just not very good at it, and we have to sort it out.

**John McDonnell (Hayes and Harlington) (Lab)**

May I take the Chancellor back to the housing issue? Housing is often the canary in the mine when assessing how people are faring in difficult circumstances. Last year, there was a 500% increase in mortgage repossession orders and a 160% increase in repossession orders from private landlords. Will the Chancellor come back with a package of measures that will assist people in getting through this housing crisis? It could include the issue that was raised earlier with regard to benefit caps. Mayors across the country are also asking for rent control powers, and we may need a mortgage interest assistance package as we go through this period.

**Jeremy Hunt**

I listen carefully to what the right hon. Gentleman says. Despite our political differences, I respect the fact that he is concentrating on a very difficult issue. Local housing allowance rates for 2023-24 will be maintained at the elevated rates agreed for 2020-21. I will continue, as the economic situation deteriorates, to monitor carefully the issues around mortgage repossessions. I have already had a number of discussions internally in the Treasury, and as necessary, I will come back to this House with further measures.

**Damian Green (Ashford) (Con)**

I congratulate the Chancellor on his statement. In particular, I welcome the fact that he listened to his own representations about the need for an NHS workforce plan. I also welcome the increase in money for social care, which is desperately needed. May I urge him to take a leaf out of his own book and start to develop a workforce plan for the social care sector as well, which is equally needed?

**Jeremy Hunt**

My right hon. Friend is probably one of the most knowledgeable people in this House when it comes to the social care sector, and he campaigned very hard for

it in government. He is absolutely right: we do need a long-term plan for the social care workforce as well, and I will do what I can to turn my attention to that when we have set one up for the NHS.

**John Cryer (Leyton and Wanstead) (Lab)**

Two thirds of children living in poverty also live in working households. That is before the drop in income that is being projected, which my hon. Friend the Member for Rhondda (Chris Bryant) raised. By the end of this Parliament, will that figure be greater or lower than it is now?

**Jeremy Hunt**

I would hope it would be lower, but I point out that the needs of people in that situation have been at the front of our mind in making today's decisions. Uprating the national living wage means up to £1,600 extra for people on low incomes. The extra £900 that people on means-tested benefits will receive next year will make a big difference, and the increase in the pension rate by inflation is £870, so we are very much thinking about those people.

**Dr Julian Lewis (New Forest East) (Con)**

I welcome what the Chancellor just said about his focus on mortgages and avoiding repossessions. On the need not to send the wrong signal about defence expenditure, I note that he skilfully linked that to a future defence review. When would that defence review come to fruition, and in the meantime will he guarantee that there would be no real decrease in defence expenditure?

**Jeremy Hunt**

I would expect my right hon. Friend to look forensically at any comment that I make about defence. I was very clear in my words, first, that the Prime Minister and I recognise the need to increase defence spending, and secondly, that the update to the integrated review needs to happen before the spring Budget. This is not pushing something into the long grass; it is making sure we get the decisions right.

**Ian Paisley (North Antrim) (DUP)**

The £650 million of Barnett consequential announced for Northern Ireland will go some way to plugging the gap that has been left by an inept Finance Minister in Northern Ireland. We welcome that; it only goes some way to plugging that gap, but it recognises that without Westminster firepower, Northern Ireland would be in a considerably worse-off place.

The energy payments are woefully inadequate for a lot of people in Northern Ireland. One thousand litres of oil in Northern Ireland costs over £900 today—£300 will not cut it. For the third time, could the Chancellor outline for us when those payments will actually be made to Northern Ireland? Secondly, with regard to the “next Silicon Valley” proposal, does he accept that unless the handbrake of the Northern Ireland protocol is replaced, Northern Ireland will not benefit from that proposal?

**Jeremy Hunt**

First, on the opportunity to be the world’s next Silicon Valley, I want Northern Ireland to be a central part of that. In fact, we have agreed to explore funding a trade and investment event in Northern Ireland, to attract more inward investment into the Province for that very reason. I am aware that when it comes to fuel poverty issues, it is a different situation in Northern Ireland. I have had a number of discussions with my officials, and I am aware that energy consumption patterns are slightly different. I will write to the hon. Gentleman with details on that, and I am happy to engage with him separately.

**Greg Clark (Tunbridge Wells) (Con)**

I congratulate the Chancellor on his meticulous and positive statement, which will be very well received in the science and technology communities. When we invest in research and development, we lay down a path to high-paid jobs, discoveries that change people’s lives and export earnings. The commitment that he has made is the biggest increase in R&D funding in the history of this country. Will he work with the Business Secretary to develop a strategy through which businesses can invest alongside the commitment he has made today, so that we can get the most out of that commitment?

**Jeremy Hunt**

There has been no stronger backer of science and research and development than my right hon. Friend, and I will absolutely make that commitment. There are a lot of elements in the industrial strategy he put together that we can learn from and weave into what we do next. He is right: this cannot happen with Government money alone. We need to work in partnership with brilliant British innovators and make the most of the incredible opportunity we have.

**Sir George Howarth (Knowsley) (Lab)**

Instead of shifting the cost on to local authorities and hard-pressed council tax payers, why did the Chancellor not look at the possibility of using the £10 billion

that goes on buy to let, for example, to fund much-needed improvements in social care and other public policy areas?

**Jeremy Hunt**

We did not shift the burden of funding on to local authorities; it has always been a shared responsibility. As the right hon. Gentleman heard from my statement, we are putting £1 billion into social care next year and £1.7 billion the year after. Taken together, that £4.7 billion is the biggest ever increase in the social care budget. I recognise that there are big pressures and a need for reforms in that sector, but this is a very positive start.

**Theresa Villiers (Chipping Barnet) (Con)**

I thank the Chancellor for the announcement on schools funding, which, as he knows, is something that I raised with him as being crucial. Can he also confirm that, if current forecasts about economic recovery and inflation prove to be overly pessimistic, we will move more quickly than he has announced today towards delivering a lower-tax economy?

**Jeremy Hunt**

My right hon. Friend is an immensely experienced colleague. She is right to point out that there is always inaccuracy in any forecast, and there is always variation from fiscal event to fiscal event, so we keep all those decisions under review in the round. I think it is still important to have forecasts—that is better than not to have them—but we keep all those decisions under review.

**Jeremy Corbyn (Islington North) (Ind)**

May I take the Chancellor back to the issues of housing, which other hon. Members have raised? Raising the local housing allowance merely in line with inflation does not necessarily help many people on benefits living in the private rented sector, particularly in constituencies such as mine where, generally speaking, many of those people end up being exported away from the area in which they live. It is more important to give local authorities the power to introduce rent controls in areas of very high private sector rent. Excessive rent levels are the biggest problem that many people, particularly young people, face in their lives.

Yesterday, the Secretary of State for Levelling Up, Housing and Communities made an interesting and helpful statement on the issues of safety within all housing. His remarks mean that much more inspection will have to be done by local authorities. Will the Chancellor ensure that local authorities are sufficiently

funded to increase the levels of public health inspection to provide a safe living environment for people in all housing situations?

**Jeremy Hunt**

These are very important issues. Obviously, the safety of properties in the private rented sector is extremely important. I am not a fan of rent controls, because I am worried that that would reduce the supply of housing to the private rented sector. I point out to the right hon. Gentleman, however, that we lifted the local housing allowance during the pandemic to help people and we are keeping it at that higher level.

**Steve Brine (Winchester) (Con)**

People will note the trademark calm and decency of my right hon. Friend today in his credible autumn statement. The current Chair of the Health and Social Care Committee agrees with his predecessor, who I am glad agrees with himself, in welcoming the independent verified workforce plan that is, of course, the rock upon which we will build a sustainable future NHS.

I welcome the additional social care funding of £7 billion over the next two years, which, as the Chancellor knows, was a recommendation of the Committee, and the £3.3-billion uplift in the NHS budget for the next three years. I ask him—he knows where I am going to go with this—to work with us to push his colleagues in the Department and in the NHS on the long-promised cancer plan. The sharp rise in cancer waits that we are seeing at the moment have a devastating impact on people's lives, but they also have a domino effect that is understandably having an impact on care across the NHS.

**Jeremy Hunt**

I welcome my hon. Friend to his role as Chair of the Health and Social Care Committee. I know that he will do a brilliant job and that he will hold me and the Secretary of State for Health and Social Care to account strongly and tenaciously on everything to do with cancer and public health. I welcome that, because they are very important areas.

**Mr Clive Betts (Sheffield South East) (Lab)**

To come back to social care, in the Chancellor's previous role as Chair of the Health and Social Care Committee, he will remember arguing for a £7-billion increase in social care funding. Will he confirm that today's package is nothing like that? Will he further confirm that much of it is coming from council tax increases, which give most to the richest councils and take proportionately most from the poorest

households? Finally, will not the rest of local government face real-terms cuts to essential services? This is austerity mark 2, with the prospect of financial collapse for many councils up and down the country.

**Jeremy Hunt**

I have to say that I think local councils are welcoming today's announcement because the biggest item of expenditure that worries them the most is their social care budgets, and this is the biggest-ever increase in the social care budget. I am pleased that the hon. Gentleman has read the report into social care that the Health and Social Care Committee produced when I was the Chair—I sometimes worry whether people actually read the reports—and he is right to point to that £7-billion figure. That was made up of about £5 billion in core funding and £2 billion for the Dilnot reforms. Today, we are delivering nearly that £5 billion of funding and the Dilnot reforms will happen at a later stage, so it is not everything at once, but it is broadly consistent with what I recommended.

**Mr Robin Walker (Worcester) (Con)**

I welcome my right hon. Friend's correct focus on putting education and skills at the heart of his statement. I was one of many Conservative Members who wrote to ask him to protect the schools budget, and he has gone further than that with the additional £2 billion over each of the next two years. That is welcome, but can he confirm that it is his assessment and that of the Department for Education that that will allow schools to fund the increase in teaching pay that has been recommended and the increase in non-teaching pay that they will face as a result of a rising living wage?

**Jeremy Hunt**

Those are details—within the structures we have, we give schools a lot of autonomy as to how they spend their budgets—but I am happy to write to my hon. Friend on those specific issues. Campaign organisations said that schools needed £2 billion a year, and this is £2.3 billion a year, so I think we have met people's concerns.

**Stephanie Peacock (Barnsley East) (Lab)**

Last year, the then Chancellor raised the universal credit work allowance for low-paid workers, describing it as a "tax cut". Can the Chancellor confirm whether he has frozen the work allowance today?

### **Jeremy Hunt**

What I can confirm is that people on universal credit will see an inflation uplift that will be worth about £600 to the average family; people on benefits will receive £900 of support; pensioners will receive £300; and disabled people will receive £150. There will also be £500 off the average fuel bill. We are thinking about those people front and centre.

### **Iain Stewart (Milton Keynes South) (Con)**

I congratulate the Chancellor on making capital transport projects a central pillar of the future growth strategy. Will he be reprioritising any of the schemes that are in development? He correctly mentioned East West Rail, which would be an excellent choice. As the new Chair of the Transport Committee, it would be useful to have some clarity on which projects he is prioritising. On his other transport announcement about the extension of vehicle excise duty to electric vehicles, will the revenue from that be hypothecated for the roads budget, as is VED on existing vehicles?

### **Jeremy Hunt**

My hon. Friend has campaigned hard for East West Rail and I am happy to confirm that, as a result of the difficult decisions that we have taken today in the round, it will proceed. It will make an enormous difference to our country, because of the connectivity that it will provide between two of the greatest universities in the world. It is a very important step forward for the country. With regard to the extension of VED to electric cars, which we are doing at the point at which half of all cars sales in the UK will be of electric cars, it asks people who have electric cars for £165 a year. Given that we have spent £2.5 billion on electric car charging points, I do not think that that is an unreasonable request.

### **Caroline Lucas (Brighton, Pavilion) (Green)**

The Chancellor said that he would be honest about the challenges we face, so it is frankly extraordinary that he could speak for almost an hour without once acknowledging the economic catastrophe of Brexit. According to the OBR, it will slash productivity by 4%; it has delivered a 15% drop in trade; there will be a 14% drop in investment; it will increase food prices by 6%; and it will deliver lower wages, workforce shortages and the highest inflation in the G7. When will he name the elephant in the room? When will he start to address that and reverse some of the damage that it is doing?

### **Jeremy Hunt**

I do not deny for one second that Brexit will be a change in our economic model, but whether we make a success of it is up to us. This Government will make a success of it and make it a tremendous opportunity.

### **Anthony Browne (South Cambridgeshire) (Con)**

I congratulate my right hon. Friend the Chancellor on this carefully crafted and balanced autumn statement, where he managed to fill the fiscal black hole without raising the headline rates of tax, as well as protecting education, the health service and pensioners. All the research institutes in my constituency will very much welcome the commitment to keep R&D funding going up to £20 billion a year. I look forward to grilling him on some of the details when he appears before the Treasury Committee.

My constituency is the life sciences capital of Europe, but it suffers acutely from a shortage of nurses and doctors. I have been working with medical groups to try to push for higher levels of training with up to 15,000 places a year for doctors, so I welcome the fact that the Chancellor agrees with himself and wants to introduce a long-term NHS workforce plan. Can he confirm whether one of its objectives will be to ultimately make the UK self-sufficient in the training of nurses and doctors?

### **Jeremy Hunt**

Absolutely, because the NHS as it stands at the moment would fall over without the brilliant contribution made by doctors and nurses born or trained overseas. I think it is about 24% of doctors in the NHS at the moment. We always welcome international exchanges, but in the end a huge health organisation such as the NHS—the biggest health organisation in the world—should be training the number of doctors and nurses that it needs itself. With a 2 million shortage of doctors worldwide, there is no other alternative.

### **Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP)**

It is funny that the same Tories, who are today congratulating the Chancellor, 55 days ago lined up to congratulate his predecessor on the disastrous mini-Budget of what he correctly described as the “English Government” —a sign of things to come. However, the question that is being asked by people in Lewis, Harris, Uist and Barra is: when exactly are the Government paying the off-grid fuel support for the likes of those with central heating oil? It is now mid-November. We need the dates, and we need this to happen.

**Jeremy Hunt**

We do, and we are working on that. We will make sure it is paid as quickly as possible.

**Darren Henry (Broxtowe) (Con)**

I thank the Chancellor for his statement today. It is right, of course, that we focus on stabilising the economy and improving growth, while ensuring support is in place for the most vulnerable in our society. This statement has set out to achieve that, but there were two points of particular concern to my constituents in Broxtowe. One was the triple lock, so I was delighted that that remains. The other was investment in infrastructure and transport in the east midlands, and I did not hear anything about that. The east midlands has the lowest investment in transport infrastructure year on year. Could the Chancellor lay out how the east midlands will benefit from his statement today?

**Jeremy Hunt**

I thank my hon. Friend for his question. The detailed decisions about what we do with respect to infrastructure in the east midlands will follow, but I want to reassure him that we have not made big cuts in our capital budget. We have protected it at the very high levels it was increased to by a previous Conservative Government. As a result, we will be in a better position to support regions such as the east midlands than we would have been had we made the mistake of mortgaging our future by cutting our capital spend.

**Mr Tanmanjeet Singh Dhesi (Slough) (Lab)**

After crashing the economy and inflicting on my Slough constituents and others higher mortgages, higher rents and the highest inflation for over 40 years, the latest Prime Minister and his Chancellor have embarked, without any mandate, on austerity 2.0 and they have decided to inflict yet more painful tax rises. In his autumn statement, the Chancellor kept referring to “global factors”, so can he point to just one other advanced economy that is raising taxes at the same scale as us here in the UK?

**Jeremy Hunt**

Yes, the United States is raising taxes by \$800 billion.

**Alberto Costa (South Leicestershire) (Con)**

Chancellor, you have agreed to meet me and other Leicestershire colleagues to discuss the worrying situation that Leicestershire County Council has been facing

for years when it comes to its financing. While I greatly welcome your autumn statement today—

**Madam Deputy Speaker (Dame Eleanor Laing)**

His autumn statement.

**Alberto Costa**

While I greatly welcome his autumn statement, will the Chancellor tell the House today—and, indeed, those at Leicestershire County Council, who are listening to proceedings—how his autumn statement will help them with their finances?

**Jeremy Hunt**

I have talked to my hon. Friend on a number of occasions about the problems with Leicestershire County Council's financial situation. What all councils say is that the biggest pressure on their budgets is adult social care, and I think today's announcement will be welcomed by them for that reason. However, I am very aware of the particular issues in Leicestershire, and I am happy to keep engaging with him on them.

**Jess Phillips (Birmingham, Yardley) (Lab)**

On the NHS point, will the Chancellor expand on whether the increase is in real terms? I spent 17 hours on a hard chair with my father in A&E last week, and I have heard a lot of talk about how the vulnerable are going to be defended by this Government. To follow on from the point about Leicestershire County Council, the vast majority of vulnerable people's funding—such as vulnerable women who are victims of domestic and sexual violence—comes from local authorities, from the Home Office budget and from the Justice budget. Every single one of those budgets has been squeezed today, so will the Chancellor guarantee that those vulnerable people, unlike my father, will actually be looked after, and that there is not a single cutback to an already dreadful service that leaves criminals on our streets and vulnerable people in danger?

**Jeremy Hunt**

The hon. Member speaks incredibly powerfully, and I hear every word she says— [Interruption.] I heard someone shouting, "12 years". We have actually had the third fastest growth in the G7 over the last 12 years, and that means we are in a better position to fund public services than we would otherwise have been. I will take away what the hon. Member says, and I will write back to her.

**Andrew Jones (Harrogate and Knaresborough) (Con)**

I congratulate my right hon. Friend on his statement, and on the important points he has made about the global challenges we are facing, but also on how support will be provided to those who need it most. Can I ask him about capital budgets? There has been some concern in the infrastructure sector that projects may be halted, so I welcome the focus on infrastructure investment as a driver of economic growth and of social and environmental progress. Will he be supporting these plans with skills programmes and apprenticeship programmes to ensure that the sector will deliver them with efficiency?

**Jeremy Hunt**

My hon. Friend knows these issues extremely well, having been a Transport Minister. We need better transport infrastructure, and what we have said today makes that possible, but he is absolutely right that we also need to improve the skills in our economy. We have had a lot of change in our ambitions for skills, with I think a lot of very positive things such as the Augar review, but we need to make sure we deliver them, and that is why I have asked Sir Michael Barber to advise me and the Education Secretary as to what we need to do.

**Naz Shah (Bradford West) (Lab)**

Today, the Chancellor had an opportunity, which he has missed, like his predecessor—the one before the last one, mind—to enact recommendations from the Transport Committee and to give Bradford a station. Instead, the Government have engaged in an exercise in rebranding, while short-changing the people of Bradford. Why does the Chancellor not just be honest with the people of Bradford, and call this what it actually is? This is not Northern Powerhouse Rail; this is the greatest ever train robbery of the north.

**Jeremy Hunt**

What I would say to the hon. Lady is that she should think about what we have done for her constituents in Bradford. When it comes to transport, we have protected the capital budgets that in the end will solve the problems she is talking about. We have also found £500 of support for the average household for their fuel bill next year. We have found more money for schools, hospitals and GP surgeries in Bradford. That will make a difference, and she should welcome that.

**John Penrose (Weston-super-Mare) (Con)**

Can I say how good it is to see the Chancellor channelling his inner Nigel Lawson by referencing not only the big bang, but his attempt to get the next big bang to happen, particularly with supply-side reforms for five key STEM—science,

technology, engineering and maths— sectors, plus the much-needed roll-out of the powers for the digital markets unit in the Competition and Markets Authority? May I urge him to provide us with dates as soon as possible for when these are going to take place, because many of them are overdue and much needed? Can I further press him that there is a further supply-side reform to do with open data, which could be at least as big as any of the others he has announced today and transformational across large swathes of the rest of our economy?

**Jeremy Hunt**

I always listen to my hon. Friend on matters such as supply-side reforms and, indeed, long-term competitiveness. I want to reassure him that, while it is a long-term aspiration to become the world's next Silicon Valley, we want to put those foundations in place next year. That is why, in those five growth sectors, I said that we will review and decide on changes to all the EU regulations that affect our growth industries in the next calendar year to make sure that we put those foundations in place fast.

**Wendy Chamberlain (North East Fife) (LD)**

The Federation of Small Businesses says that business confidence is at its lowest rate since the pandemic, and in the Chancellor's oral statement today there was no mention of energy support for business. All the written statement says is that businesses can expect significantly lower support. I have businesses, including care homes, in North East Fife that are facing closure as a result. In the terms of reference, also published by the Government today, for the review, it says there is a very high bar. The Chancellor must have a fair idea of what that means. Can he share it with us and businesses?

**Jeremy Hunt**

We absolutely want to think about care homes and small businesses in the hon. Lady's constituency, and in mine, and we are spending roughly £18 billion on the support we are giving this winter. We are doing a lot as a Government, but we want people to have certainty and to know what the support will be next April. We need businesses to help themselves as much as we help them, which is why they need to play their part in important energy efficiency measures. Our intention is to announce that business support before Christmas.

**Virginia Crosbie (Ynys Môn) (Con)**

This Government's commitment to Sizewell C and large-scale nuclear is welcome, and it was noted that Labour's shadow Chancellor failed to mention nuclear. When will the launch of Great British Nuclear be announced, and will its scope

include large-scale gigawatt nuclear at sites such as Wylfa in my constituency, as well as small modular reactors?

**Jeremy Hunt**

There is no more formidable advocate for big nuclear investment on Ynys Môn than my hon. Friend. Indeed, when I went on a family holiday to Ynys Môn this summer, she tried to persuade me to visit the potential site of a nuclear power station with my children. I apologise that I did not take her up on the offer, but it shows her commitment. My right hon. Friend the Business Secretary will be making an announcement soon on things such as the launch of Great British Nuclear—I hope before Christmas, but if not just afterwards—because we want to crack on with our nuclear programme.

**Helen Hayes (Dulwich and West Norwood) (Lab)**

For the first time in decades women are leaving the workforce, largely to take up caring responsibilities for their families. In that context, it is astonishing that the Chancellor did not mention childcare once during his statement. Childcare is vital social and economic infrastructure. The status quo is holding back women, and holding back our economy. What will the Chancellor do about it?

**Jeremy Hunt**

I am very aware of the pressures and issues of childcare. The £4.7 billion increase in the social care budget will make a difference to people with caring responsibilities, with potentially another 200,000 packages, but I want to return to this issue and I take what the hon. Lady says very seriously.

**Richard Drax (South Dorset) (Con)**

I have huge sympathy for my right hon. Friend. We are facing severe financial challenges for the reasons he explained so well, but Members on both sides of the House are promising to spend billions and billions more pounds. I remind the House that it is the private sector, and hardworking people through their taxes, who pay for Government expenditure. Does my right hon. Friend agree that raising taxes on both risks stifling the growth and productivity that he and I both want, and that would counter the recession we are now in?

**Jeremy Hunt**

My hon. Friend is right to make the case for a lightly taxed dynamic economy, and I would like to bring taxes down from their current level. We are faced with the necessity of doing something fast to restore sound money and bring inflation down from 11%, which is why we have made difficult decisions today. But yes, my

hon. Friend is absolutely right: there is no future for this country unless we get back on the path to being a lower taxed economy.

**Steve McCabe (Birmingham, Selly Oak) (Lab)**

As we have seen, the Tory party might learn more from its mistakes if it wasn't so busy denying them, and I congratulate the Chancellor on a wonderful, "not me, gov" performance. In the interests of candour, will he confirm that what he told the House today is that after 12 years in power, the Tory plan is to cut around £27 billion from public spending?

**Jeremy Hunt**

I confirm that what the hon. Gentleman said is wrong. The plans I announced today show that we are protecting public spending in real terms over the next five years.

**Peter Aldous (Waveney) (Con)**

I congratulate my right hon. Friend on his statement. I welcome the protection that he has announced for the most vulnerable, Government support for Sizewell C, the announcement of a devolution deal for Suffolk, the appointment of Sir Michael Barber to prepare a skills reform programme so that the many and not the few can participate in the proceeds of growth, and the Chancellor's commitment to a step change in the UK's efficiency programme. May I highlight the enormous potential that the Lowestoft port investment zone can play as a centre of excellence for low-carbon industry, and urge him to give full consideration to the proposal that will be forthcoming ahead of the March Budget?

**Jeremy Hunt**

My hon. Friend is a formidable advocate for Lowestoft and the Lowestoft port investment zone. The process for deciding where the investment zones are will be decided by the Secretary of State for Levelling Up, Housing and Communities, but I will pass on my hon. Friend's comments to him.

**Kenny MacAskill (East Lothian) (Alba)**

The Chancellor rightly spoke a lot about compassion. In that regard, will he write to Ofgem and direct it that the manifest injustice of higher standing charges for those with prepayment meters must be ended and a social tariff invoked? On unregulated fuel, businesses in my constituency are hanging on by their fingertips, and waiting until next year might be too late. Will he undertake to backdate any payment or benefit?

**Jeremy Hunt**

I reassure the hon. Gentleman that the business support for companies this winter is happening. There is no waiting until Christmas; it is happening now and we have made that clear. We have said we will announce before Christmas the support that will come into place from next April. I am very aware of the issue of standing charges. I am concerned about it, and I will write back to the hon. Gentleman on that.

**Rehman Chishti (Gillingham and Rainham) (Con)**

I thank the Chancellor for the announcements on the national health service, and he said that we are committed to our new hospitals programme. May I also thank him for the fantastic work he did when he was Health Secretary to help transform Medway Hospital in my constituency? He visited Medway Hospital, and he knows that Medway and north Kent have some of the highest health inequalities in the country, and Medway had some of the areas hit hardest by covid. We urgently need a new hospital. We are all among equals here and we want a fair allocation of resources. How will those criteria be applied, because under any criteria, Medway urgently needs a new hospital?

**Jeremy Hunt**

My hon. Friend was an extraordinary advocate for Medway Hospital when I was Health Secretary. That is continuing, and rightly so. I will take away what he says. I am not sure about the exact situation with respect to a new hospital in Medway, but I will write back to him.

**Rebecca Long Bailey (Salford and Eccles) (Lab)**

The statement proposes council tax increases to top up social care funding, but the Chancellor must be aware that in Salford, the 18th most deprived local authority, with a current list of 27,000 people accessing council tax reduction support, any increases would raise only nominal funds, and the pain would be felt by residents on a huge scale. How will Salford pay for its social care, and what support will the Chancellor provide to mitigate the impact on those who cannot afford council tax increases?

**Jeremy Hunt**

The hon. Lady is right to raise those concerns. Flexibility on council tax is only part of the way we are funding the £4.7 billion increase in the social care budget. Part of it is coming from the delay in the Dilnot reforms, and part of it—£1 billion and then £1.7 billion—is coming from central Government coffers. We recognise those

concerns. This package is designed in its entirety to give maximum possible support to the most vulnerable people, and I hope it will be welcomed in her constituency.

**Robbie Moore (Keighley) (Con)**

Last week I met residents of Moor Help in Long Lee, attended a coffee morning to speak with constituents in Silsden town hall, met Ilkley Good Neighbours, and had several constituency meetings in Keighley. All were asking me for the pensions triple lock to be protected, so I thank the Chancellor on their behalf. Will he confirm that by protecting pensioners with the triple lock, the Government will be providing the biggest ever cash increase to the state pension?

**Jeremy Hunt**

I absolutely confirm that, and it was the right thing to do. We are also giving lots of other help to pensioners, including £500 off their fuel bills on average across the country, and an extra payment of £300 for all pensioner households to help with cost-of-living pressures next year. That is on top of existing help such as the winter fuel payment.

**Amy Callaghan (East Dunbartonshire) (SNP)**

The first round of austerity contributed to more than 300,000 excess deaths. The Government have made a political choice to impose austerity 2.0. Instead of increasing the benefit cap, will the Chancellor scrap the cap on benefits? If not, why not?

**Jeremy Hunt**

It is lovely to see the hon. Member back in the House. We are doing everything that we can to help people on benefits, including a £900 one-off payment next year to help with cost-of-living pressures, an average of £500 off their energy bills and, if they are working, the increase in the national living wage, which is worth up to £1,600. That will really help her constituents.

**Mr Philip Hollobone (Kettering) (Con)**

When the Chancellor was Health Secretary, he kindly visited Kettering General Hospital, which is the No. 1 local issue in the Kettering Constituency. He will understand the importance that local people attach to the promised £396 million redevelopment of the hospital. The first 10% of that investment is now under way. Will he confirm that the bulk of the investment was always going to be in the period from 2025 to 2030 under health infrastructure plan 2 funding, and that Kettering hospital remains in that programme?

**Jeremy Hunt**

It is not possible to be Health Secretary without visiting Kettering hospital and my hon. Friend is a formidable advocate for it. I remember the visit well, with how crowded the hospital was and why there is such a big need for a new hospital. We are committed to the new hospitals programme, and I will write to him with precise details about where Kettering stands in that process.

**Judith Cummins (Bradford South) (Lab)**

For absolute clarity, is the Chancellor confirming today that Transport for the North's preferred option for Northern Powerhouse Rail with a stop in Bradford is now scrapped under this Conservative Government?

**Jeremy Hunt**

I am confirming that core Northern Powerhouse Rail will go ahead and that we are protecting our capital budget so that we can make as many other worthwhile additions to our transport infrastructure as possible.

**Mark Pawsey (Rugby) (Con)**

My constituents in Rugby and Bulkington will not enjoy the tough decisions that the Chancellor has had to make today, but they will understand the need for sound finances after the huge expenditure that the country has made on the pandemic and supporting people with their energy costs as a consequence of the war in Ukraine. They will also want to know that businesses will continue to invest to grow and to create jobs. Will he speak about the incentives that still exist for businesses to do exactly that?

**Jeremy Hunt**

I am happy to do that. My hon. Friend is quite right to raise those issues. We are doing a lot of short-term things, including help with energy bills as well as business rates. As we move to a new business rates system, we are freezing the levels at which business rates can increase and introducing a 75% discount next year for retail, hospitality and leisure businesses. Fundamentally, as a Conservative Government, we know that we cannot flourish as an economy without flourishing small businesses, and we will back them to the hilt.

**Dame Nia Griffith (Llanelli) (Lab)**

The Chancellor mentioned innovation, and a modern steel industry is vital to our future prosperity, so will he earmark the £200 million originally contributed in good faith by steel producers and now returned to the UK Government from the

EU research fund for coal and steel to set up a UK steel innovation fund to develop the steel technologies that we need to drive growth and work towards net zero?

**Jeremy Hunt**

I will happily look into that issue and write to the hon. Member. She will know that one of the growth industries that I identified was advanced manufacturing. There is much that we can do to ensure that the steel industry is competitive in this country, and we want it to have a bright future.

**Laura Farris (Newbury) (Con)**

Nothing corrodes living standards like runaway inflation, so I congratulate my right hon. Friend on the priority that he has given to tackling inflation and bringing it down next year. However, until that moment comes, there is huge pressure on household incomes. I have been working closely with Citizens Advice West Berkshire, and its No. 1 ask was for means-tested benefits to be uprated in line with inflation, so I welcome that announcement as well as the unprecedented equivalent increase in the national living wage. Will he ensure that his Department and the Department for Business, Energy and Industrial Strategy continue to work hand in glove with HMRC on that small number of rogue employers who try to avoid their statutory wage obligations?

**Jeremy Hunt**

That is a good question. I will happily write back to my hon. Friend with what we are doing and what we can do. I would like her to pass on my thanks to Citizens Advice West Berkshire for the incredibly important work that it is doing to support people through a difficult period.

**Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op)**

This is a Budget of austerity 2.0, is it not? Of course, different decisions could have been made. The Chancellor could have decided to abolish the upper limit on national insurance, raising more than £30 billion and solving adult social care in one fell swoop along with the crisis in council funding. He chose not to do so but instead to burden poorer people and working people. On housing and energy specifically, he has said that he will freeze local housing allowance, which is a freeze at the 30th percentile from two or three years ago—it was last uplifted just at the beginning of the pandemic. Will he please review that decision along with how people living in blocks of flats who receive communal energy have received no support for their energy bills? They need that desperately to come through, and he has promised it before.

### **Jeremy Hunt**

As I have explained, we increased local housing allowance at the start of the pandemic—significantly—and we are keeping it at that higher level. He talks about difficult decisions. I would say that there is one difficult decision on the table today: do we do what is necessary to tackle inflation? On the Government side of the House, the answer is yes.

### **James Wild (North West Norfolk) (Con)**

I welcome the commitment in my right hon. Friend's statement to the new hospital building programme. Given the statement yesterday by the Secretary of State for Health and Social Care that he would deal with the concrete cancer that means that the Queen Elizabeth Hospital in my constituency has 3,000 props holding up its roof, will he reassure people in North West Norfolk that the Government will make the urgent decisions to build the new QEH?

### **Jeremy Hunt**

I have visited the QEH and absolutely understand the concerns that my hon. Friend is talking about. I will write to him about what is happening, but we do commit today that we will protect the new hospital programme. We do want to spend very important money in our capital programme in the NHS.

### **Brendan O'Hara (Argyll and Bute) (SNP)**

My rural, economically fragile constituency has been battered by a Brexit that we did not vote for resulting in the loss of European markets for our abundant seafood and meat products. What we also have in abundance is wind and water, which lash in from the Atlantic; something that we have learned not just to live with but to harness and benefit from. Why on earth has the Chancellor decided to tax electricity generators at a 10% higher rate than oil and gas producers? If there is a 91% investment allowance for the oil and gas sector, what is the figure for the renewables sector?

### **Jeremy Hunt**

I have had wonderful holidays in the hon. Member's constituency and can attest to the high levels of wind and water there. It is one of the most beautiful parts of the country. The windfall tax rate on electricity generators is calculated to ensure that we tax only genuine windfall profits. It is reasonable to do that. Overall, these taxes will raise about £54 billion, and this year and next year we will spend more than £100 billion to support people with their energy bills. It will only kick in at £75 a unit, which is a generously high level.

**Greg Smith (Buckingham) (Con)**

I absolutely agree with my right hon. Friend when he talks about the inflationary pressures coming from the aftershocks of the pandemic and the war in Ukraine. We see that at the fuel pumps and, more significantly, our haulage and logistics sector sees it with the enormous level of taxation on diesel in particular driving inflation to get food and goods on to our shelves. As he prepares for the March Budget, will he look at the inflationary impact of fuel duty on top of the high cost of diesel and see whether we can reduce it?

**Jeremy Hunt**

I assure my hon. Friend that I will absolutely do that. We have a little time, and I know that fuel duty is an important issue to him and many other colleagues.

**Dame Diana Johnson (Kingston upon Hull North) (Lab)**

The Prime Minister said he was going to deliver Northern Powerhouse Rail in full. With the Chancellor's announcement this morning, Hull remains excluded from Northern Powerhouse Rail for the next 30 years, in stark contrast to the go-ahead on the Oxford to Cambridge line. Could the Chancellor just explain to me and my constituents why the last areas to see investment in infrastructure are the first areas to have it ruled when this Tory Government crash the economy?

**Jeremy Hunt**

As the hon. Lady knows, the economy has been growing faster than France, Germany, Italy and Japan over the last 12 years, so that is not a fair characterisation. What I am able to do, because of the difficult decisions we have taken today, is largely protect the capital budget, which means we can do more to improve infrastructure to Hull and other parts of England. That is the right thing to do. I would just say to her that if we did not take the difficult decisions we are taking today, we would never be able to improve our transport infrastructure. We do not want that, which is why we are taking difficult decisions that her party is not supporting.

**Simon Baynes (Clwyd South) (Con)**

I congratulate the Chancellor on his skilful and compassionate autumn statement. I welcome the additional funding of £1.2 billion for Wales. Can the Chancellor reassure vulnerable residents in my constituency that Government assistance with their very high energy bills will continue as long as it is needed, so we protect them to the very best of our ability?

### **Jeremy Hunt**

That is absolutely what we want to do, and that is why today we are announcing that the energy price guarantee will continue, supporting my hon. Friend's constituents in an average household by about £500 during the course of next year. Going forward, because these are multibillion pound programmes, we need people to work together with the Government to also improve their energy efficiency. The other thing the Business Secretary will announce shortly is a long-term energy independence and energy efficiency plan which, if we implement it, will bring down the average fuel bill by another £500.

### **Ian Mearns (Gateshead) (Lab)**

In his statement, the Chancellor said that because of difficult decisions in 2010, the Government could then go on to do several things. However, places like Gateshead are still living with the drastically detrimental consequences of those 2010 decisions. The decision to incrementally withdraw revenue support grant from councils means that my own local authority is £179 million per year worse off now than it was in 2010. Many local authorities with a low council tax base are in exactly the same boat. We are worried about austerity 2.0, but we are also very, very worried about the continuing consequences of austerity 2010. So, after 12 years, when will the Government do something about local government finance to prove to people in Gateshead that the words "levelling up" are not just empty rhetoric?

### **Jeremy Hunt**

The hon. Gentleman is absolutely right to say how important the levelling up programme is. The economic growth we have had since 2010 means we are able to invest in capital projects today. The levelling up round 2 fund will be protected and possibly increased from the £1.7 billion invested in levelling up round 1. We are absolutely committed to connecting areas like Gateshead into the national economy, which means that wealth spreads.

### **Anna Firth (Southend West) (Con)**

I congratulate the Chancellor on how skilfully he has handled the toughest budget for 40 years, and thank him for listening to representations which I have made to him directly to protect pensioners and increase school funding for Southend schools. Can he confirm that as a result of restoring the triple lock, all 18,000 pensioners in Southend West will get not only continued help with their energy bills but the biggest cash increase ever in their pensions next April?

**Jeremy Hunt**

I can. My hon. Friend advocates formidably for pensioners and other constituents in Southend. The inflationary increase in the state pension is worth on average £860. There will also be a £300 payment to pensioners next year to help with cost-of-living pressures and for an average house a £500 reduction in their fuel bill at today's prices. She can tell her constituents that that package shows a Conservative Government who care about our most vulnerable citizens.

**Munira Wilson (Twickenham) (LD)**

The Chancellor rightly claimed that education is not just an economic mission but a moral mission, so can he explain to the House why he is still able to find £6.5 billion in tax cuts for the biggest banks over the next five years, but no money to expand free school meal provision, when 800,000 children living in poverty are not even entitled to a hot meal at school? Hungry children cannot learn. So much for his moral mission.

**Jeremy Hunt**

Where the hon. Lady and I agree is on the importance of education, and the importance of supporting children and lifting families out of poverty. Where we disagree is on the role of banks, which create enormous wealth for this country and actually help to fund our NHS and schools by the corporation taxes they pay.

**Paul Holmes (Eastleigh) (Con)**

I congratulate the Chancellor on bringing forward an autumn statement that focuses on the long-term stability this country needs. My constituency has a large number of park home sites, which rely on communal accounts or individual liquid petroleum gas bottles. Will the Chancellor confirm that LPG used to heat park homes, not just standard-build homes, will be covered by the announcement of the doubling of the payment, and will he make sure that the payments to the constituents who need them most are efficient and delivered as quickly as possible?

**Jeremy Hunt**

I am very happy to confirm both those points. I have park homes in my own constituency.

**Barbara Keeley (Worsley and Eccles South) (Lab)**

From his time as Chair of the Health and Social Care Committee, which we are hearing about plenty in this statement, the Chancellor knows that NHS England spends a ludicrous amount on detaining autistic people and people with learning

disabilities in inappropriate and often substandard in-patient care. I know the Chancellor understands this.

**Jeremy Hunt**

indicated assent.

**Barbara Keeley**

He is nodding. He himself said, during the Committee's inquiry into this issue, that the level of community provision is totally inadequate. Will he listen to himself again and commit to looking into this issue with the Health and Social Care Secretary, so that we are no longer throwing money away on substandard care when autistic people and people with learning disabilities could be living happier lives in the community?

**Jeremy Hunt**

The hon. Lady and I have talked about these issues many times and may I just say, across the political divide, that it has been a privilege to work with her on social care issues and to see the concern she has in public and in private about all these issues? I agree that it is a scandal that we have so many people detained in secure accommodation who could be in the community. I absolutely will work with my right hon. Friend the Health Secretary to see what can be done.

**Rachel Maclean (Redditch) (Con)**

The Worcestershire Acute Hospitals NHS Trust, with which I know my right hon. Friend is very familiar, is delaying returning chemotherapy services to the Alex—the Alexandra Hospital in Redditch—even though the pandemic is over. That means really sick cancer patients are having to travel to Kidderminster for their essential therapy. I strongly welcome the £3.3 billion investment he is providing today for the NHS, so can he confirm that there are really no financial or funding reasons for the trust not to return those services to Redditch, where they are so desperately needed?

**Jeremy Hunt**

Cancer patients in Redditch will have heard loud and clear that they have a formidable advocate in their MP. I will happily look into that specific issue, but the broader point is that the chief executive of NHS England says today that the funding we have found for the NHS is sufficient for it to deliver its core purposes, even despite the inflationary pressures. Of course, cancer services are core services.

**Chris Stephens (Glasgow South West) (SNP)**

Can I ask the Chancellor about his policy on public sector pay, because not much was said about that? Will he first of all look at the nonsensical position that the UK Government—not the English Government—have more than 200 separate pay bargaining units for civil service pay? That seems a nonsensical position. There are far too many civil servants having to utilise food banks to survive month to month. Can he tell us what pay increase those who work for UK Government Departments can expect for the coming year, or will they also pay the price for the mistakes of his predecessor?

**Jeremy Hunt**

What I can tell the hon. Gentleman is that families in the UK, including families in Scotland and in his own constituency, will get an enormous amount of help this year and next, including if they are on the lowest legal wage, the national living wage, with an increase in their income of up to £1,600. If they are on means-tested benefits, they will get an increase of £900 and if they are a pensioner they will get the triple lock increase of £870. I could go on. The autumn statement knits together as a statement designed to help people on low pay, including in the public sector.

**Rob Butler (Aylesbury) (Con)**

The Chancellor has rightly reminded us that the economic challenges we face are driven primarily by global events, especially Russia's invasion of Ukraine, and that has necessitated the difficult and painful decisions that he has had to make. He emphasised the need to continue to invest in infrastructure. That is especially important in Aylesbury, where there is a massive amount of house building and we desperately need link roads to alleviate traffic congestion and improve air quality. Within the budgets that have been approved, will my right hon. Friend enable Buckinghamshire Council to have as much flexibility as possible to deliver those roads, which are so essential for our town's sustainable growth?

**Jeremy Hunt**

I thank my hon. Friend for his advocacy for Aylesbury. My basic view is that we should give as much flexibility as we can to local authorities to deliver local infrastructure projects, and significantly more than they currently have. I hope to come forward in the months ahead with ways to progress that. I will write to him on the specific issue of a link road.

**Mick Whitley (Birkenhead) (Lab)**

Local authorities all over the country are at breaking point, with Conservative- run Kent and Hampshire County Councils warning this week that they face the very real prospect of bankruptcy. The challenge is especially acute at Wirral Council, which is grappling with a shortfall of nearly £50 million next year, driven in no small part by a drastic cut in central Government grant funding since 2010. Does the Chancellor accept that his proposals to allow local authorities to hike council tax risks forcing people in the most deprived communities, such as Birkenhead, to pay even more in return for ever-diminishing services? Will he commit to providing more direct financial assistance to local authorities so that they can continue to provide those services, which will be so essential in helping local towns such as Birkenhead?

**Jeremy Hunt**

Local authorities have requested this package, particularly the two-year delay in the Dilnot reforms. Although those reforms are very important, we will not implement them, but we will leave the funding that was set aside for them with local authorities. That will help his council and many other councils.

**Richard Graham (Gloucester) (Con)**

I welcome the Chancellor's commitment today to the triple lock, public services in general and health and education specifically. On the proposal from the previous Chair of the Health and Social Care Committee for an NHS staffing plan—he may recall that I supported that—will my right hon. Friend work with the Health Secretary to find ways to encourage more home-grown doctors, nurses and nursing associates to be trained locally, not least in the new University of Gloucestershire health teaching campus? Thanks to the levelling-up fund, that will open before long close to our Gloucestershire Royal Hospital.

**Jeremy Hunt**

My hon. Friend is a brilliant MP for Gloucester. I do not want to pre-empt what the independently verified workforce review will say, but we will need all the places that are now training doctors and nurses, including Gloucester, to train more in the future.

**Stephen Flynn (Aberdeen South) (SNP)**

Is it higher mortgage rates, higher energy bills, higher food bills, higher fuel bills, public sector cuts, a recession or the boorach of Brexit that best represents the strength of the Union?

**Jeremy Hunt**

What represents the strength of the Union is £4 billion being spent to build the new frigates in Scotland and £4 billion being spent to support Scottish families with the cost of energy bills.

**Rachael Maskell (York Central) (Lab/Co-op)**

The scale of wage restraint resulting from today's autumn statement will accelerate York's housing crisis. What measures in the statement will secure a greater supply of affordable housing for local people, not investors, in my constituency?

**Jeremy Hunt**

The hon. Lady makes an important point. I am in constant discussion with the Secretary of State for Levelling Up, Housing and Communities about the importance of housing policy creating new houses for people on low incomes. However, on wages overall, the £4.7 billion for the social care sector, for which she advocates, will make a significant difference in that area.

**Wera Hobhouse (Bath) (LD)**

The Chancellor's statement is forcing everybody to pay the price for the puncturing of the economy by his Conservative Government, and I put Brexit very much at the core of the problem. Everybody is paying except the big oil and gas companies, because there are still massive tax loopholes for companies drilling for new fossil fuels. Let me ask him this serious question: who is his statement benefiting—the renewable energy companies or the fossil fuel sector?

**Jeremy Hunt**

The renewable energy companies and people in the traditional energy sector are paying a windfall tax, and as a result, we can have more money for doctors, nurses and people in social care up and down the country. That means that we are investing in the NHS in a way that was not possible when we were in coalition with the Liberal Democrats in 2010.

**Paula Barker (Liverpool, Wavertree) (Lab)**

Will the Chancellor confirm how the living standards of UK households have been forecast to change between this year and next by the Office for Budget Responsibility? Does he think it is acceptable that real household average incomes are set to fall on his watch?

### **Jeremy Hunt**

A fall in household incomes because of the international headwinds will be extremely challenging, and today's statement is designed to address that. The OBR has said that we will help to mitigate the fall in living standards by the actions we are taking today.

### **Kirsten Oswald (East Renfrewshire) (SNP)**

People watching the Chancellor's statement will be very vexed by the fact that he seems to be pretending that the Tories' disastrous mini-Budget and their race-to-the-bottom Brexit have absolutely nothing to do with the problems that people face. That is simply not the case. As we have heard, the OBR forecasts that real household disposable income will fall by more than 7% over the next two years. People are facing a very difficult time, so why is the Chancellor not taking the kind of action that the Scottish Government are to protect families in this difficult situation? Why is he not making the choice to introduce something like the Scottish child payment, which will make such a difference? And why are his political choices so focused on those who least need them?

### **Jeremy Hunt**

My political choices are focused on helping Scottish schools and Scottish hospitals, with £1.5 billion more to support them. I think they need that money, so that is where we have a difference of opinion.

### **Ellie Reeves (Lewisham West and Penge) (Lab)**

A constituent who is an A&E doctor told me about an elderly lady who was admitted to hospital from a house that she could not afford to heat. She had a temperature of 26°C and died shortly after. I am pleased that the Chancellor has finally extended the windfall tax, but Labour has been calling for that for months. Does he accept that the delay has had very real consequences for people and that the Government should have taken up Labour's stance far sooner?

### **Jeremy Hunt**

I do not accept that for one second, because these are terrible tragedies on which we have acted very quickly, with support worth £62 billion this year to help families deal with fuel price increases and support next year that will save families £500 off their average bill at today's prices. We are doing everything we possibly can, because we do not want to be a country where that kind of thing happens.

**Helen Morgan (North Shropshire) (LD)**

I recently did a 12-hour shift with West Midlands ambulance service. Every paramedic I spoke to told me that the current crisis in response times was because of bed-blocking, which is caused by the problem in social care. Given that the Local Government Association is forecasting a shortfall of £3.4 billion next year and £4.5 billion the year after that just to stand still, does the Chancellor feel confident that he is improving the situation with today's announcements? Will he clarify how much the average council tax payer is expected to put towards that?

**Jeremy Hunt**

It feels as though the hon. Lady might have written that question before she heard the statement and not changed it. We talked about a £4.7 billion increase in the social care budget, which is targeted at ending the bed-blocking that the paramedics she talked to were so worried about. That is the biggest increase in social care funding in history. As I said, sadly, we were not able to do that when we were in coalition with her party.

**Janet Daby (Lewisham East) (Lab)**

Does the Chancellor not have a responsibility to set out all major tax cuts? He seems to have slipped out a tax cut for the banks. Will he confirm that he is cutting the bank surcharge from 8% to 3%?

**Jeremy Hunt**

We are reducing the bank surcharge because we are increasing corporation tax from 19% to 25%, so banks are contributing to our having more money for the NHS and schools in the hon. Lady's constituency.

**Patrick Grady (Glasgow North) (Ind)**

Where in the Chancellor's statement is support for low-paid freelance and self-employed people, particularly those in the arts and creative sectors? Do not difficult times call for innovative solutions, such as the basic income guarantee for artists that is currently being piloted by the Republic of Ireland—which, incidentally, is a small independent member of the European Union?

**Jeremy Hunt**

We have announced a lot of measures to help people on low incomes. Anyone in receipt of means-tested benefits will receive £900 to help them with the cost of living, along with the inflation-linked uplift in universal credit, which is about £600, and about £500 to help them with their heating costs next year, at today's prices. So there is a lot of help. However, if the hon. Gentleman is saying we should do

more to support the creative industries which are so important to this country, I absolutely agree. I used to be the Culture Secretary, and I will do everything I can as Chancellor.

**Zarah Sultana (Coventry South) (Lab)**

Four million children live in poverty in our country: that is one in three kids. Today the Chancellor could have tackled that. He could have extended free school meals to all primary schoolchildren, guaranteeing that they would get a decent meal every day. That would cost £1 billion a day, which could be paid three times over by closing the non-dom tax loophole, but the Chancellor did not extend free school meals or close that loophole. He talked about tough choices, so let me ask him this: was it a tough choice to protect this tax-dodging loophole and deny meals to kids living in poverty?

**Jeremy Hunt**

It was a tough choice to increase taxes by £25 billion, largely for the well-off, so that we could find more money for schools in the hon. Lady's constituency.

**Peter Grant (Glenrothes) (SNP)**

Far the best way to take people out of poverty is to pay them a decent wage so that they never get into poverty. I see that the Chancellor is nodding. Why has the nodding Chancellor announced today that the minimum wage will fall behind the cost of living? The Tories' pretendy-kiddy-on living wage is even more pretendy-kiddy-on than it was before—a real-terms pay cut for the 2 million lowest-paid earners in the United Kingdom. What assessment, if any, has the Chancellor made of how long he expects it to be before every single worker in the United Kingdom has a legally guaranteed right to that most basic of employment rights, a decent wage that is enough to live on?

**Jeremy Hunt**

We may have political disagreements on the Union, but I hope the hon. Gentleman will welcome the fact that we have made enormous progress with our national living wage. Today's announcement means that for someone working full time it will go up by £1,600, which will help a great many of his constituents—and that is before all the other help that we are giving with heating costs—fuel costs—for people on means-tested benefits. So I think we are doing a lot, and we will continue to look at whether we can do more.

**Rachel Hopkins (Luton South) (Lab)**

I refer the House to my entry in the Register of Members' Financial Interests.

Today, in response to the Chancellor's statement, the Conservative chair of the Local Government Association said:

"We have been clear that council tax has never been the solution to meeting the long-term pressures facing services—particularly high-demand services like adult social care, child protection and homelessness prevention. It also raises different amounts of money in different parts of the country unrelated to need and adds to the financial burden facing households."

Does the Chancellor agree with that, and will he commit himself to working on a fair funding formula for local authorities, including police and fire services, which we have heard little about today?

**Jeremy Hunt**

We always keep our funding formula under review, but I am absolutely certain that the person whom the hon. Lady has quoted will have welcomed the fact that there was a £4.7 billion increase in the money for social care, which is the biggest financial pressure for local authorities.

**Richard Foord (Tiverton and Honiton) (LD)**

Thanks to recent Conservative chaos, people are now facing both higher taxes and underfunded local services. More than 150,000 people across Devon are currently on an NHS waiting list. For example, Ann Newbury from Honiton had to wait more than three years for her operation. Can the Chancellor tell me that the Government will recruit enough new NHS staff to ensure that people in Devon will not have to wait so long for operations?

**Jeremy Hunt**

The hon. Gentleman may have heard me say that we are going to have an independently verified long-term workforce plan to ensure that we are training enough doctors and nurses in Devon and, indeed, all over the country, and I think it is incredibly important for us to do that.

**Kim Johnson (Liverpool, Riverside) (Lab)**

Poverty is a political choice, and the Chancellor had the opportunity to take millions of children out of poverty with his Budget today, including children in my constituency. That has not happened, and the increase in benefits will not happen

until April next year. Can the Chancellor tell the House what families are going to do when they are talking about heating or eating this winter?

**Jeremy Hunt**

This year we have supported the poorest families with £1,200 to deal with an exceptional increase in the cost of living. We have the household support fund, which we are giving to councils so that they can help to ensure that people do not fall between the cracks, and there is money for the NHS and care system, which is also targeted at the most vulnerable and people living in poverty.

We are doing a great many things today. There is always more that we can consider, but strong public services need a strong economy, and that is what you get with the Conservatives.

**Madam Deputy Speaker (Dame Eleanor Laing)**

And the prize for patience and perseverance goes—as so often—to Margaret Ferrier.

**Margaret Ferrier (Rutherglen and Hamilton West) (Ind)**

I thank the Chancellor for his statement, and for remaining in the Chamber to answer all the Members' questions—especially the last question!

I wrote to the Chancellor on behalf of my constituents about the triple lock, and I thank him for listening to their pleas, but a decade of benefit cuts has meant that families are struggling financially. Will the Chancellor consider allowing families to access more of their benefit entitlement in the face of the cost of living crisis, and will he reduce the maximum amount that can be deducted from universal credit for debt repayments at least to 15% of the standard allowance?

**Jeremy Hunt**

I thank the hon. Lady for her patience in waiting all this time to ask her question. The issues that she has raised are going to be looked at by the Secretary of State for Work and Pensions in the review that he is conducting for the Prime Minister on the increase in the number of economically inactive adults and what we can do to improve incentives, but today we have announced—exceptionally—an increase in the benefit cap to ensure that the families who depend most on the benefits system are given all the extra help that we are promising today.

**Madam Deputy Speaker**

I thank the Chancellor for his statement, and I thank everyone who, for three hours and five minutes, has held him to account at the Dispatch Box.