

# Speech: Humanitarian Access, Refugee Return, and Security in Syria

Thank you very much Mr President. Thank you Mark once again for a clear and stark briefing and to all your team on the ground.

I'd like to start by joining Kuwait in expressing our deepest condolences to the people and government of Indonesia for the plane crash. But I also wanted to say I thought the joint statement from Kuwait and Sweden was very powerful.

I wanted to start if I may not immediately with the humanitarian, but with the Istanbul Summit commitments, as briefed by the French representative – and thank you very much for that briefing. I completely agree with what the French Ambassador said about the political process. The Small Group is going on now in London. As we all noted last week, we hope that this combination of commitments and meetings will indeed Mr President see some real, concrete progress on both political and humanitarian tracks. But I think on the political side and on Idlib, I would very much like to receive confirmation today that the Idlib agreement between Russia and Turkey will indeed hold, that those 3 million civilians will indeed be kept safe. I'd like to see confirmation today that the Constitutional Committee will indeed be set up by the end of the year, and I'd like to know if that is something that both Syria and Russia agree should happen. I also agree with what my US colleagues said about CW.

Turning to the humanitarian side Mr President, which is the main purpose of the meeting today, I wanted to underscore what the Under-Secretary-General said about humanitarian principles and the aid needing to go to people in the most need. It's very worrying that we don't have full independent needs assessments; proper refugee return really can't happen without this so I'd be grateful to know from the Syrian Representative but also from the Russians; what is being done to address the UN's concerns on the independent needs assessment?

On Rukban, I take the point that there may be a security risk. I think it would be very good if the Council could have more detail on what that security risk is and how it might be overcome. I want to recall Mr President that UN Member States are obliged to ensure safe and sustained humanitarian access. So the Council needs to hear this assurance today, and it also needs to hear that something will be done about the security and that the UN convoys will then be able to get through to these desperate people. I think we keep ducking this issue in the Council, Mr President. We keep raising it but we keep not getting a satisfactory answer, so it would be very good to get clarity on it today.

I also wanted to note that on humanitarian access, refugee return, we do need to include the issue of security – freedom from political persecution and from arbitrary arrest – if communities are to feel safe and secure about

returning to their homes.

Finally Mr President, I wanted to endorse the five asks that the Under-Secretary-General set out today. I want to echo the call for unity on renewing SCR 2165. I think that would be a very powerful signal of progress on the ground.

I want to speak again about the importance of movement forward on the political process. Mark mentioned the need for more generosity from donors in terms of funding some of the UN plan. I'd like to say that in response to the crisis, the British government has committed \$3.47 billion to Syria since 2012, and this includes \$1.25 billion actually spent inside Syria itself.

Notwithstanding that Mr President, I'd like to echo what the French Ambassador said about reconstruction. There's a difference between humanitarian assistance and reconstruction money. Reconstruction money will only be available from Western governments in the context of a credible, sustainable political process that redresses and addresses of the underlying concerns in Syrian politics today.

Thank you Mr President.

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## [Speech: Budget 2018: Philip Hammond's speech](#)

Mr Deputy Speaker,

Today, I present to the House a Budget for Britain's future;

A budget that shows the perseverance of the British people finally paying off...

A Budget for hard working families...

...who live their lives far from this place...

...and care little for the twists and turns of Westminster politics.

People who get up early in the morning...

...to open up factories, shops, and building sites...

...to drop their kids off at school...

...to check on elderly relatives and neighbours.

The strivers, the grafters and the carers who are the backbone of our

communities and our economy.

People who ask only of Government that we protect the jobs that put food on their table...

...that we deliver the public services their families rely on...

...and that we do it efficiently, minimising the amount of tax we need to take from their hard-earned wages.

People who we, on this side of the House, are proud to represent.

So I say to them:

This Budget is unashamedly for you.

Mr Deputy Speaker,

The British people put their faith in us to do the job...

...and today we repay that trust with a Budget that paves the way for a brighter future.

And, Mr Deputy Speaker, let me be clear why:

The tough decisions of the past eight years were not driven by ideology...

...they were driven by necessity;

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And, as ever, we did what needed to be done.

Now we have reached a defining moment on this, long, hard journey.

Opening a new chapter in our country's economic history.

Where we can look confidently to the future...

...and set our course for where this remarkable country will go next.

Because today, Mr Deputy Speaker,

I can report to the British people...

...that their hard work is paying off...

...and the era of austerity finally coming to an end.

Mr Deputy Speaker,

I'm sure like me – many members of the House, keenly remember the last Budget on a Monday...

...it was 1962...

...I was 6 years old...

...tensions between Russia and the United States were rising...

...and a former Foreign Secretary turned Chancellor...

...labelled by some as “stubborn” and “difficult”...

...delivered a Budget amid Cabinet revolt...

[political content removed]

And I remember my parents turning to me and saying: Philip, that could be you one day.

Mr Deputy Speaker...

...the media has been full of speculation about the timing of today’s Budget...

Some were hoping for a December budget:

I am sure the headline writers were ready with:

“Spreadsheet Phil turns Santa Claus”.

Others were desperate for it to be on Wednesday:

“Hammo House of Horrors”, perhaps.

But the truth is, by choosing today, rather than Wednesday, I have not avoided the blood-curdling threats, the anguished wailing, and the strange banging of furniture..

...I have kindly been invited to a special meeting of the 1922 committee this evening.

Mr Deputy Speaker,

Our economy continues to confound those who talk it down...

...and we continue to focus resolutely on the challenges and opportunities that lie ahead...

...as we build a new relationship with our European neighbours...

...a new future outside the European Union.

But as we do so, let us not forget the remarkable achievements of the British people in clearing up the aftermath of the recession:

...The British people have a record to be proud of:

Eight straight years of economic growth;

Over 3.3 million more people in jobs

Higher employment and lower unemployment in every region and every nation of the United Kingdom;

Wages growing at their fastest pace in almost a decade;

[political content removed]

An economy back on its feet again;

An economy working...

... not for the few...

...nor even for the many...

...an economy working for everyone.

Mr Deputy Speaker,

We are at a pivotal moment in our EU negotiations...

...and the stakes could not be higher:

Get it right, and we will not only protect Britain's jobs, businesses and prosperity...

...but we will also harvest a double "Deal Dividend"

A boost from the end of uncertainty;

And a boost from releasing some of the fiscal headroom that I am holding in reserve at the moment.

We are confident that we will secure a deal which delivers that dividend.

Confident, but not complacent.

So we will continue to plan for all eventualities...

...and I will do so at this Budget with a three-pronged approach:

First, I have already allocated £2.2bn to departments for Brexit preparations;

And in the Autumn Budget last year I set aside a further £1.5bn to be allocated for 2019-20.

Today I am increasing that sum to £2bn...

...and in the coming weeks the Chief Secretary will announce allocations to individual Departments.

Secondly, I shall today maintain the headroom to my fiscal rules broadly as set out in the Spring Statement...

...retaining firepower to intervene if the economy needs more support in the coming months.

And thirdly, as I have been clear since moving to an Autumn Budget...

... if the economic or fiscal outlook changes materially in-year...

... I will take whatever action is appropriate, including if necessary reserving the right to upgrade the Spring Statement to a full Fiscal Event.

Mr Deputy Speaker,

The House can be confident that we are working for the best outcome for Britain... ..but preparing for every eventuality.

Mr Deputy Speaker,

I shall first report to the House on the economic forecasts of the independent OBR...

...and I thank Robert Chote and his team, for their work.

The OBR expect growth to be resilient across the forecast period...

...improving next year from the 1.3% forecast at the Spring Statement...

...to 1.6%...

...then 1.4% in 2020 and 2021; 1.5% in 2022; and 1.6% in 2023.

Mr Deputy Speaker,

This Government has prioritised getting people into work...

...because the best way to help people is to provide them with the stability of a pay packet every month.

Since 2010 over 3.3 million more people are in work...

And today the OBR confirm Britain's "jobs miracle" is set to continue...

...revising up participation in the labour market...

... revising down the country's "equilibrium unemployment rate"...

...predicting 800,000 more jobs by 2023.

By my calculation that's over 4.2 million net new jobs since 2010...

[political content removed]

But now we need to focus on pay...

...and with the proportion of low paid jobs at its lowest since 1997...

...with regular pay growth at 3.1%, its strongest in almost a decade...

...and inflation forecast to average 2% next year...

...the OBR is forecasting sustained real wage growth in each of the next five years...

[political content removed]

I turn now to the fiscal forecast.

We inherited the highest budget deficit in our peacetime history.

But after eight years, the hard work of the British people is paying off.

...and we will not squander their efforts.

Today's forecast, taking into account all announcements since the Spring Statement, including measures I shall announce today, shows the deficit down from almost 10% [political content removed]...

...to less than 1.4% next year [political content removed] ...

...and falling to just 0.8% by 2023-24.

Borrowing this year will be £11.6bn lower than forecast at the Spring Statement...

...just 1.2% of GDP...

...and is then set to fall from £31.8bn in 2019/20...

...to £26.7bn in 2020-21...

...£23.8bn in '21'- '22'...

...£20.8bn in '22- '23'

...and £19.8bn in 2023-24, its lowest level in over 20 years...

We meet our structural borrowing target 3 years early...

...and deliver borrowing of just 1.3% of GDP in 20-21...

...maintaining £15.4bn headroom against our 2% Fiscal Rules target.

We are no longer borrowing at all to finance current spending.

And today the OBR confirm that our national debt peaked in 2016/17...

...at 85.2% of GDP...

...and then falls in every year of the forecast from 83.7% this year; to 74.1% in 23-24...

...that's lower in every year than forecast at the Spring Statement...

...and it means that we meet our target to get debt falling 3 years early.

...a turning point in our nation's recovery

[political content removed]

Both our fiscal rules met; both of them three years early.

So, Mr Deputy Speaker,

Fiscal Phil says: Fiscal Rules OK.

But Mr Deputy Speaker,

[political content removed]

I have always been clear:

Sound public finances are essential – but they are not an end in themselves.

So since I have been Chancellor, I have taken a balanced approach...

...putting an additional £60 billion into our public services and investment in our future...

...cutting tax for 31 million people...

...and all the while reducing borrowing and getting our national debt falling.

Now we must do more...

...and thanks to the hard work of the British people, in this Budget we can do more.

I said at the Spring Statement...

...that our careful management of the public finances was beginning to pay off...

...and that if the improvement we saw then continued...

...then I would be able to provide more support to our public services on a sustainable basis.

Today, the OBR confirm a significant improvement in our public finances...

...an upgrade that underscores the hard work of the British people...

...and this government's stewardship of this economy since 2010...

...and which means I can deliver on that promise I made in the Spring.

Setting out a new path for public spending...



...and a clear view for the British people of the fruits of their hard work.

Next year we will conduct a full Spending Review

...setting our priorities for public spending within a sustainable funding envelope...

...deciding on the right balance between investing in Britain's future...

...and current consumption of public services.

Today, I have set out an indicative 5-year path for departmental resource spending...

..."RDEL" as it is known to aficionados of public finance.

For context, Mr Deputy Speaker,

In Spending Review 2010 average annual real growth was -3%;

In Spending Review 2015 it was -1.3%;

From next year it will be +1.2% annual average real growth.

But that is not the limit of my ambition.

When our EU negotiations deliver a deal, as I am confident they will...

...I expect that the "Deal Dividend" will allow us to provide further funding for the Spending Review.

The hard work of the British people is paying off.

Austerity is coming to an end.

Now Mr Deputy Speaker,

You will know better than most that every Chancellor likes to have a rabbit or two in his hat as he approaches a budget...

...but this year, some of my star bunnies appear to have escaped a little early!

In June, My RHF the Prime Minister announced the single largest cash commitment to our public services ever made by a peacetime Government...

...An £84bn five year deal for our precious NHS...

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And let me be clear:

We are delivering this historic £20.5bn real terms increase for the NHS in full over the next five years.

So, in an important sense, we made our big choice for this budget, four months before it was delivered.

And this was the right decision: our NHS is the number one priority of the British people; and as we approached the 70th anniversary of its foundation, they had a right to know the scale of our commitment to it.

But the British people also care that money invested in the NHS goes to the front line and to improvements in services.

So we didn't just hand over money...

...we agreed that the NHS would produce a ten-year plan...

...setting out how the service will reform...

...how waste will be reduced ...

...and exactly what the British people can expect to get for their money.

That plan will be published shortly...

But I shall give the House a sneak preview today:

There are many pressing demands on additional NHS funding...

...but few more pressing than the needs of those who suffer from mental illness.

And today I can announce that the NHS 10 Year Plan will include a new mental health crisis service...

...with comprehensive mental health support available in every major A&E...

...children and young peoples' crisis teams in every part of the country...

...more mental health ambulances...

...more "safe havens" in the community ...

...and a 24-hour mental health crisis hotline.

These new services will ensure that people suffering from a crisis, young or old, can get the help they need...

...ending the stigma that has forced too many to suffer in silence...

...and ending too the tragedy of too many lives lost to suicide.

We are proud to have made this extraordinary commitment to funding our NHS

[political content removed]

Mr Deputy Speaker,

Departmental spending allocations will be settled at the Spending Review next year...

However, there are a small number of areas where I will provide further support now...

...in order to deliver necessary certainty for forward planning.

Local government has made a significant contribution to repairing the public finances ...

...and this Budget ensures local councils have more resources to deliver high quality public services.

We are giving councils greater control over the money they raise...

...through the Adult Social Care precept...

...through our plans for increased business rate retention from 2020...

...and by removing the Housing Revenue Account cap so that councils can help to build the homes this country needs.

We will shortly publish our Green Paper on the future of Social Care...

...setting out the choices, some of them difficult, for making our social care system sustainable into the future.

But I recognise the immediate pressures Local Authorities face in respect of social care.

So today, building on the £240m for Social Care winter pressures announced earlier this month...

...I will make available a further £650m of grant funding for English Authorities for 2019-20 ...

...and an additional £45m for the Disabled Facilities Grant in England in 2018-19.

And we'll invest a further £84m over the next five years...

...to expand our successful Children's Social Care programmes to 20 further councils with high or rising numbers of children in care...

...allowing councils to improve services for older people, for people with disabilities, and for children in care now...

...while longer-term funding decisions will be made at the Spending Review.

Mr Deputy Speaker,

The UK spends more on defence than any NATO member except the US;

But over the last year we have had stark reminders of the scale, scope and complexity of the threats we face.

My RHF the Defence Secretary is working with the Cabinet Office and the Treasury to conduct a Review into the modernisation of our armed forces in response to the evolving threat...

...which will form the basis for a comprehensive consideration of Defence spending next year.

But as a former Defence Secretary myself, I understand the immediate pressures our Armed Forces are facing.

So I will today provide an additional £1bn to the MOD to cover the remainder of this year and next...

...to boost our cyber capabilities...

...and our anti-submarine warfare capacity...

...and to maintain the pace of the Dreadnought programme to ensure Continuous At Sea Deterrence...

[political content removed]

We are proud of our Armed Forces and we will always back them with the investment they need to keep this country safe.

And, Mr Deputy Speaker...

It is not only our armed forces that keep us safe.

Our Counter-terrorism police play a vital role in defending Britain against the evolving threats we face.

We committed in 2015 to spend 30% more on Counter Terrorism capabilities over the current Spending Review period.

And today I commit an additional £160m of CT police funding in 2019-20...

...to protect CT police numbers...

...and to allow future CT police funding to be considered in the round at the Spending Review.

I recognise that policing more generally is under pressure from the changing nature of crime.

I also recognise the representations made on this by many colleagues, such as my HF the Member for South- West Bedfordshire...

...and I can tell the House today that my RHF the Home Secretary will review police spending power and further options for reform when he presents the provisional police funding settlement in December.

Mr Deputy Speaker

As I have already set out...

...due to the hard work of the British people...

...public borrowing this year is coming in substantially below forecast.

This allows us to provide additional support for public services in the Spending Review...

...and contributes to the significant reduction in forecast debt this year.

But I also want to use this good news to give a little bit back, where it can be put to good use, in this financial year.

Mr Deputy Speaker,

This year marks a century since the end of the First World War.

And as we remember our fallen servicemen and women whose sacrifice ensured the freedom we enjoy today...

...many projects are raising money for veterans' charities from sales of commemorative items on which VAT is charged.

Now we cannot waive the VAT due on these sales.

But we can make a donation with the VAT we will receive...

...and I commit today that the Treasury will mark the Centenary of the Armistice by making a donation of £10m to the Armed Forces Covenant Fund Trust to support veterans with mental health needs.

Many of our nation's village halls were built to commemorate the sacrifice of WW1...

...and many are being refurbished to commemorate the centenary.

So I will also provide funding for grants equivalent to the VAT chargeable on such refurbishment projects.

And as our focus moves from anniversaries of the the First World War to the Second...

...I will also provide £1.7 million for educational programmes in schools to mark the 75th anniversary of the liberation of the Bergen-Belsen concentration camps...

...ensuring the next generation hears the stories of those who survived the holocaust, and of the British soldiers who liberated them....

...because as the terrible events in Pittsburgh this weekend...

...remind us, the battle against anti-Semitism did not end with the defeat of Nazi Germany.

Across the length and breadth of England, our air ambulance services work tirelessly to get those with life-threatening illnesses and injuries quickly to the expert medical care they need...

...funded entirely by philanthropy...

...they do a fantastic job...

...and today I am making £10m of funding to help them to go on doing so.

Mr Deputy Speaker, We're investing record amounts in our schools...

...and that investment is paying off with 86% of schools now rated good or outstanding, compared to 68% in 2010.

But I recognise that school budgets often do not stretch to that extra bit of kit that would make such a difference.

So today I am announcing a £400m in-year bonus to help our schools buy the little extras they need...

...a one-off capital payment directly to schools...

... averaging £10,000 per primary school and £50,000 per Secondary School.

Mr Deputy Speaker,

I have one final in-year measure to announce:

Every Member of Parliament will testify that potholes are high on the public's list of concerns.

So as autumn takes hold, I am making an additional £420m available immediately to Local Highway Authorities...

...to tackle potholes, bridge repairs, and other minor works in this financial year.

But Mr Deputy Speaker,

If we want sustainable world class public services

...and rising living standards...

... we must make the serious long-term reforms our economy needs...

...to tackle the productivity challenge...

...prepare our nation for the technological change ahead...

...and show the next generation that our market economy can evolve once again

to meet the needs of the new age.

Because, [political content removed] “ending austerity” is not just about funding public services;

It’s about real wage growth...

...and it’s about leaving more of people’s hard-earned money in their pockets.

This is the nation of the Industrial Revolution...

...of Stephenson, of Whittle, Lovelace, Faraday...

...people whose ideas shaped the world around them.

And today, Britain once again can lead the world as we exploit a new wave of scientific and technological discovery pouring out of our Universities and Research Institutes.

And we can solve the productivity challenge if we are willing to embrace the future...

...to make the choice to invest in infrastructure, in research, in skills and in our regions...

...to manage change, not hide from it.

Mr Deputy Speaker...

...I believe passionately in this agenda.

But even I would admit that perhaps at the last two Budgets I might have given the House just a little bit more detailed information on productivity and technological innovation than it strictly needed!

So, Mr Deputy Speaker this time I will leave it to the Budget Red Book to set out more detail of the many measures we will take today...

...including our commitment to technology with £1.6bn of new investments to support our modern industrial strategy, from nuclear fusion to quantum computing...

...and £150m for fellowships to attract the brightest talent to these shores from around the world so that our scientific research continues to lead the world ...

...and our commitment to infrastructure, expanding the National Productivity Investment Fund once again – to over £38bn by 2023-24...

...so that over the next five years, total public investment is growing by 30%...

...to its highest sustained level in 40 years...

[political content removed]

...investing in the roads, railways, research, and digital infrastructure that will power this country in the 21st Century.

Mr Deputy Speaker,

Half of the UK's £600 billion infrastructure pipeline will be built and financed by the private sector.

And in financing public infrastructure...

...I remain committed to the use of public-private partnership where it delivers value for the taxpayer...

...and genuinely transfers risk to the private sector.

But there is compelling evidence that the Private Finance Initiative does neither.

[political content removed]

We will honour existing contracts.

But the days of the public sector being a pushover, must end.

We will establish a centre of excellence to actively manage these contracts in the taxpayers' interest starting in the health sector.

And we will go further.

I have never signed off a PFI contract as Chancellor...

...and I can confirm today that I never will.

I can announce that the Government will abolish the use of PFI and PF2 for future projects.

[political content removed]

Mr Deputy Speaker,

We're investing in our nation's infrastructure...

...and backing the technologies of the future...

...but we know that the real engine of growth is enterprise.

[political content removed]

...because I want Britain to be one of the great winners of the technological revolution.

[political content removed]

We will always back enterprise and the market economy that underpins it...



...because we know it is the only way to deliver the high-wage, high-skill economy of the future.

As we finalise our departure from the EU...

...and deliver a deal that secures Britain's future trade

...we must unleash the investment that will drive our future prosperity.

So today I can announce a package of measures to stimulate business investment and send a message loud and clear to the rest of the world:

Britain is open for business:

I am increasing the Annual Investment Allowance, from £200,000 to £1m for two years, delivering on a longstanding ask of the British Chambers of Commerce;

I am providing a targeted relief for the cost of acquiring IP-rich businesses;

And introducing a permanent tax relief for new non-residential structures and buildings...

...partly funded by an adjustment in the special writing down rate for long-life assets from 8% to 6%...

...to better align the tax and accounting treatment of these assets;

To support British exports we will increase UKEF's direct lending facility by up to £2bn;

We'll open the use of e-passport gates at Heathrow and other airports...

...currently only available to EEA nationals...

...to include visitors from the US, Canada, New Zealand, Australia and Japan;

And we will provide an additional £200m of funding to the British Business Bank to replace access to the European Investment Fund if needed;

We'll back another 10,000 entrepreneurs by extending Start-Up Loans funding to 2021;

And following representations from the FSB...

...I am extending the New Enterprise Allowance – providing mentoring and support for benefit claimants to get their business ideas off the ground.

And with thanks to my HF the Member for Thirsk and Malton...

...we're working with the FCA on expanding access to the Financial Ombudsman Service for larger SMEs...

As well as backing businesses to invest and grow, we will also make sure

British workers are equipped with the skills they need to thrive and prosper.

We have introduced a new system of T level vocational training...

...have put the first £100m into the new National Retraining Scheme...

...and through the apprenticeship levy we are delivering 3 million high quality apprenticeships in this Parliament.

But that system is paid for by employers...

...and it has to work for employers.

So today in addition to the flexibilities I announced earlier this month...

...I can announce that for smaller firms taking on apprentices we will halve the amount they have to contribute from 10% to 5%.

In total a £695m package to support apprenticeships.

Mr Deputy Speaker,

As our economy evolves in the digital age...

...so too must our tax system...

...to ensure that it remains fair and robust against abuse...

...and that it raises the revenues we need to fund our public services.

The Employment Allowance was introduced to incentivise businesses to take on employees.

But at a flat rate of £3,000 per employer, it does not provide any real incentive for larger employers, So, from April 2020, we'll target it at small and medium businesses with an Employer NICs bill under £100k a year.

We will also bring the treatment of capital losses for the largest companies into line with that of income losses;

Mr Deputy Speaker,

We re-commit today to keeping family homes out of Capital Gains Tax...

...but some aspects of Private Residence Relief extend it beyond that objective...

...and provide relief for people who are not using the home as their main residence.

So from April 2020 we will limit Lettings Relief to properties where the owner is in shared occupancy with the tenant, and reduce the final period exemption from 18 months to 9 months.

Mr Deputy Speaker,

I have received representations that I should abolish Entrepreneur's Relief...  
...and put the savings towards funding our NHS commitments.

But I do not believe we can have sustainable public services unless we have a dynamic economy.

And encouraging entrepreneurs must be at the heart of our strategy.

So I will retain the Entrepreneurs Relief...

...but to ensure it is going to genuine entrepreneurs I will extend the minimum qualifying period from 12 months to 2 years.

Mr Deputy Speaker,

In the period since the last Budget...

...we've explored all avenues to address the cliff edge effect of VAT registration...

...but our options are restricted by EU law.

We will continue to work on this issue as our future VAT regime becomes clear over the years ahead.

And in the meantime, to give small businesses certainty, and in response to representations from my HF the Member for Mid Worcestershire, the FSB and others, I will leave the threshold unchanged for a further two years.

Mr Deputy Speaker,

The off payroll working rules – known as IR35 – are designed to ensure fairness...

...so that individuals working side by side in a similar role for the same employer...

...pay the same employment taxes.

Last year, we changed the way these rules are enforced in the Public Sector.

But widespread non-compliance also exists in the private sector ...

So following our consultation, we will now apply the same changes to private sector organisations as well.

But after listening carefully to representations made during the consultation, we will delay these changes until April 2020...

...and we will only apply them to large and medium-sized businesses.

Mr Deputy Speaker,

There is one stand-out example of where the rules of the game must evolve now if they are to keep up with the emerging Digital Economy:

Digital Platforms delivering search engines, social media, and online marketplaces have changed our lives, our

society, and our economy...

...mostly for the better.

But they also pose a real challenge for the sustainability and fairness of our tax system.

The rules have simply not kept pace with changing business models.

And it's clearly not sustainable, or fair, that digital platform businesses can generate substantial value in the UK without paying tax here in respect of that business.

The UK has been leading attempts to deliver international corporate tax reform for the digital age.

A new global agreement is the best long-term solution.

But progress is painfully slow.

We cannot simply talk forever.

So we will now introduce a UK Digital Services Tax.

This will be a narrowly-targeted tax on the UK-generated revenues of specific digital platform business models.

It will be carefully designed to ensure it is established tech giants – rather than our tech start-ups – that shoulder the burden of this new tax.

It is important that I emphasise that this is not an online-sales tax on goods ordered over the internet...

...such a tax would fall on consumers of those goods – and that is not our intention.

The Digital Services Tax will only be paid by companies which are profitable...

...and which generate at least £500m a year in global revenues in the business lines in scope.

We will consult on the detail to make sure we get it right, and to ensure that the UK continues to be the best place in the world to start and scale-up a tech business.

The tax will come into effect in April 2020...

...and is expected to raise over £400m a year.

In the meantime we will continue to work at the OECD and G20 to seek a globally agreed solution.

And if one emerges, we will consider adopting it in place of the UK Digital Services Tax.

But this step shows that we are serious about this reform.

Because, Mr Deputy Speaker, it is only right that these global giants, with profitable businesses in the UK, pay their fair share towards supporting our public services.

And Mr Deputy Speaker,

I am already looking forward to my call from the former Leader of the Liberal Democrats.

We're updating the rules of the game...

...but we must also make sure people play by the rules.

And today we continue the work of the past eight years...

...where we've secured £185bn since 2010, which would otherwise have gone unpaid...

...with a package of measures today to further clamp down on tax avoidance, evasion, and unfair outcomes raising another £2bn over the next five years.

We'll make HMRC a preferred creditor in business insolvencies...

...to ensure that tax which has been collected on behalf of HMRC – is actually paid to HMRC.

We'll end the practice of purchasing services through overseas branches to avoid UK VAT...

...and we'll crack down on insurance companies routing services through offshore territories.

And we'll stop our generous R&D tax credits system being abused by re-introducing a PAYE restriction for the small and medium sized companies scheme.

[political content removed]

Mr Deputy Speaker,

Investing in our infrastructure;

Backing the technologies of the future;

Supporting British businesses;

Updating our tax system for the digital age;

That is how we will deliver the high-wage high-skill economy of the future.

But we must also recognise that technological change will bring challenges – as well as opportunities...

...and there is one part of our economy that is currently confronting that challenge in spades:

Our High Streets.

Embedded in the fabric of our great cities, towns, and villages, the High Street lies at the heart of many communities.

And it is under pressure as never before as Britain adopts on-line shopping with greater alacrity than any other large economy.

So, if Britain's High Streets are to remain at the centre of our community life...

...they will need to adapt.

Today we support them to do so – responding to calls from across this House, especially from my RHF the Member for Putney, and my HFs the Members for Southport and Croydon South.

We will provide £675m of co-funding to create a Future High Streets Fund to support Councils to draw-up formal plans for the transformation of their High Streets...

...to invest in the improvements they need...

...and to facilitate redevelopment of under-used retail and commercial areas into residential...

...helping with the housing challenge...

...and delivering much needed footfall to High Street Businesses.

We'll consult on how modernisation of the Use Classes Order and CPO regime can help facilitate the transformation of the High Street;

Mr Deputy Speaker,

The change our High Streets face is irreversible and it will take them time to adapt to it.

But I know that many small retail businesses are struggling to cope with the high fixed costs of Business rates.

Since 2016 we have introduced business rates relief measures worth £12bn...

...and many of these reliefs will have benefitted High Street businesses.

But today I can go further:

At the next revaluation in 2021, rateable values will adjust to reflect changes in rental values.

But I want to help retail businesses now.

So for the next two years, up to that Revaluation, for all retailers in England with a rateable value of £51,000 or less, I will cut their business rates bill by one third.

That's an annual saving of up to £8,000 for up to 90% of all independent shops, pubs, restaurants and cafes.

I will also extend the £1,500 local newspaper discount for a further year:

Mr Deputy Speaker, whatever the national press says, I have been assured of a warm welcome for my budget from the Royston Crow and the Keswick Reminder.

Mr Deputy Speaker,

Local Authorities have long been able to provide discretionary business rates relief to other bodies – but not to themselves.

And so following representations from my HFs for North Cornwall and St Austell and Newquay...

...I am pleased to announce a new mandatory business rates relief for public lavatories...

...so that local authorities can, at last, relieve themselves.

For the convenience of the House, Mr Deputy Speaker,

...and without wishing to get unduly bogged down in this subject...

...this relief will extend to any such facilities made available for public use, whether publicly or privately owned.

Honestly, Mr Deputy Speaker, this is virtually the only announcement in this Budget that hasn't leaked.

Mr Deputy Speaker,

We can't resolve the productivity challenge...

...or deliver the high standards of living the British people deserve...

...without fixing our housing market.

In last year's Budget I launched a five-year, £44bn housing programme...

...to deliver the biggest increase in housing supply since 1970...

...and I abolished Stamp Duty for First Time Buyers on properties up to £300,000.

121,500 First Time Buyers have already benefited from our new relief...

...and the number of First Time Buyers is at an eleven year high.

Today I am extending this relief to all first time buyers of shared ownership properties valued up to £500k...

...and we will make this relief retrospective so any first time buyer who has made such a purchase since the last Budget will benefit.

But we have more to do...

...so I can announce today:

A further £500m for the Housing Infrastructure Fund, to unlock a further 650,000 homes;

The next wave of strategic partnerships with 9 Housing Associations which will deliver 13,000 homes across England;

Up to £1bn of British Business Bank guarantees to support the revival of SME housebuilders;

We are consulting on simplification of the process for conversion of commercial property into new homes;

And because we want to see parishes and neighbourhoods enabling more homes for sale to local people to buy, at prices they can afford...

...we're providing funding to empower up to 500 neighbourhoods to allocate or permission land for housing...

...through the neighbourhood planning system...

...for sale at a discount to local people in perpetuity.

I am also grateful to my RHF the Member for West Dorset for his review of build-out rates – published today.

He concludes that the large housebuilders are not engaged in systematic speculative land-banking...

...and makes several recommendations for reform of the planning system in respect of very large strategic housing sites.

And we will respond in full to his report in the New Year.

Mr Deputy Speaker,



Meeting the productivity challenge...

...means tapping the potential of every region and nation.

Our devolution agenda is giving power back to the people...

...and today we go further to fire-up the Northern Powerhouse, fuel the Midlands Engine and back our regions across the UK.

We're increasing the Transforming Cities Fund to £2.4bn

...and providing an additional £90m to trial new models of smart transport, including 'on demand buses'...

(...Mr DS, which I think in our day, we used to call taxis...)

We're launching a competition for proposals for business led-Development Corporations;

We're funding ten University Enterprise Zones;

There's £115m for Digital Catapults in the North East, Northern Ireland, and the South East...

...and the Medicines Discovery Catapult in Alderley.

£70m to develop the Defence and National Rehabilitation Centre near Loughborough;

£37m of additional development funding for Northern Powerhouse Rail...

...and £10m for a new pilot in Manchester to support the self-employed to acquire new skills.

We're backing a new Special Economic Area in South Tees...

... and we're providing £20m to further develop the plan for the critical central section of East-West rail between Oxford and Cambridge.

And here in our Capital we support the delivery of a further 19,000 homes by improving the Docklands Light Railway with Housing Infrastructure Fund money.

Mr Deputy Speaker,

The decisions announced in this Budget means by 20-21 an additional...

£950m for the Scottish Government;

£550m for the Welsh Government.

And £320m for a Northern Ireland Executive. With larger sums to come over the spending review period due to our record NHS funding.

I can also announce funding for further City and Growth deals, including

£150m for Tay Cities, £350m for Belfast, and £120m for North Wales...

...while negotiations progress with Ayrshire, Mid Wales and Borderlands...

...and will begin with Moray, Derry/Londonderry and Strabane as well.

I was pleased to be able to respond to a joint request from the members for Belfast North, Belfast East, and Belfast South to provide the city with £2m help towards the recovery of the city centre following the fire at the iconic Bank Buildings...

...and we're moving also forward with schools projects in Northern Ireland worth £300m, to increase the provision of shared and integrated cross community education.

And we've agreed to the establishment of a working group to progress plans for short haul APD devolution.

To continue to support Scotland's oil and gas industry ...

...we will maintain headline tax rates at their current levels...

...and launch a call for evidence on our plan to make Scotland a global hub for decommissioning.

And finally, to support our vital fishing industry as we leave the EU...

...we'll invest £12m over the next three years in cutting edge fisheries technology and safety measures.

[political content removed] Delivering for all our proud nations...

...and for all our English regions.

Mr Deputy Speaker,

We are driven by a determination to ensure that the next generation...

...will be more prosperous than ours.

But we cannot secure our children's future unless we secure our planet's future...

So at this Budget I take further action with a package of measures, set out in the Budget Red Book

[political content removed]

...so I will provide £10m to deal with abandoned waste sites...

[political content removed]

Mr Deputy Speaker,

I also said at the Spring Statement that we must become a world leader in tackling the scourge of plastic littering our planet and our oceans.

Billions of disposable plastic drinks cups, cartons, bags and other items are used every year in Britain...

...convenient for consumers...

...but deadly for our wildlife and our oceans.

Where we cannot achieve re-use, we are determined to increase recycling...

... so we will introduce a new tax on the manufacture and import of plastic packaging which contains less than 30% recycled plastic...

...transforming the economics of sustainable packaging.

We will consult on the detail and implementation timetable.

I have also looked carefully at the case for introducing a levy on the production of disposable plastic cups...

...not just for coffee, but for all types of beverage...

... I have concluded that a tax in isolation would not, at this point, deliver a decisive shift from disposable to reusable cups across all beverage types.

I will monitor carefully the effectiveness of the action the takeaway drinks industry is already taking to reduce single-use plastics...

...and I will return to this issue if sufficient progress is not made.

In parallel, my RHF the Environment Secretary will look to address this issue through the reform of the Packaging Producer Responsibility scheme.

Working across government, this ambitious package reflects our determination to lead the world in the crusade to rid the oceans and the environment of plastic waste.

Mr Deputy Speaker,

It's only by dealing with our debts and tackling the long term challenges our country faces, that we can sustainably raise wages and living standards.

But I recognise that many people are feeling pressure on their household budgets now.

And because the hard work of the British people is paying off I am pleased to be able to announce today a series of measures to help families across Britain with the cost of living.

Mr Deputy Speaker,

Turning first to duties...

...as my RHF the PM has already announced...

...we will freeze fuel duties for the ninth successive year...

...bringing the total saving to the average car driver to over £1,000...

...and to the average van driver to over £2,500...

The tobacco duty escalator will continue to rise at inflation plus 2%...

Mr Deputy Speaker,

I have received numerous representations from my H and RHF's on one particular subject...

...and in response I will be freezing beer and cider duty for the next year...

...keeping the cost of beer down for patrons of the Great British Pub

And, in response to the concerted lobbying of my Scottish Conservative colleagues...

...I will also freeze duty on spirits...

...so that we can all afford to raise a wee dram to Ruth Davidson on the arrival of baby Finn...

...saving 2p on a pint of beer, 1p on a pint of cider, and 30p on a bottle of Scotch or gin compared to the inflation assumption in the OBR forecast...

...while proceeding with the usual RPI increases on wine.

As promised at Autumn Budget 2017, so-called white ciders will be taxed at a new higher rate.

From October next year, I can confirm that we will increase Remote Gaming Duty on online games of chance, to 21%...

...in order to fund the loss of revenue as we reduce FOBT stakes to £2.

From April 2020 APD will be indexed in line with inflation, but there will be no change in the duty rate for short-haul flights.

And the new 26-30 railcard, which I announced at Budget last year, will be available across the network by the end of the year...

...saving up to 4.4 million young people 1/3 off their fares.

And we launch a package of measures on affordable credit and support for credit unions, which is set out in detail in the Red Book.

Mr Deputy Speaker,

The switch to Universal Credit is a long overdue and necessary reform...

[political content removed]

This is not just a welfare measure...

...it is a major structural reform to our economy that will help to drive growth and employment in the years ahead...

...and I pay tribute to my RHF the Member for Chingford without whose tenacity Universal Credit would never have seen the light.

But I recognise the genuine concerns among many H and RHF's about two issues:

First, the implementation of this programme.

It is an enormous undertaking...

...and we have always been clear we want the migration process to be as smooth as possible.

I have already delivered nearly £3.5 billion to help with the transition...

...including a £1.5bn package of support at last year's Budget.

Today I can go further...

...with a package of additional measures worth a £1 billion over 5 years...

...enabling my RHF Secretary of State for Work and Pensions to introduce additional protections as existing welfare claimants move onto UC...

...and she will announce details when she introduces the Managed Migration Regulations later this year.

Secondly, I have heard the concerns about the rates and allowances within the design of the system.

In my first Autumn Statement I reduced the UC taper rate from 65% to 63%.

And today I can tell the House I am increasing work allowances in Universal Credit by £1,000 per annum...

...at a cost of £1.7bn annually once roll-out is complete

...benefitting 2.4 million working-families-with-children and people with disabilities by £630 per year.

Mr Deputy Speaker,

Universal Credit is here to stay, and we are putting in the funding it needs to make it a success.

Because [political content removed]- we believe that work should always pay.

Mr Deputy Speaker,

Delivering higher wages for those in work is core to my mission as Chancellor...

Under [political content removed] the poorest 20% have seen their real incomes grow faster than the richest 20% ...

...and the proportion of jobs that are low paid is at its lowest level for 20 years...

...thanks to the National Living Wage introduced [political content removed] in 2016.

From April the National Living Wage will rise again, by 4.9%, from £7.83 to £8.21...

...handing a full-time worker a further £690 annual pay increase...

...and taking his or her total pay-rise, since the introduction of the National Living Wage, to over £2,750 a year.

We also accept the Low Pay Commission's recommendations on National Minimum Wage rates...

...supporting young people and apprentices with further above inflation increases.

The current remit of the LPC is for the National Living Wage to reach 60% of Median Earnings by 2020, subject to sustained economic growth.

But next year we will need to give the LPC a new remit beyond 2020.

We will want to be ambitious...

...with the ultimate objective of ending low pay in the UK...

...but we will also want to be careful – protecting employment for lower paid workers.

So we will engage responsibly with employers, the TUC, and the LPC itself over the coming months...

...gathering evidence and views...

...to ensure we get this right – and I will confirm the final remit at the Budget next year.

But as well as making work pay...

...we want working people to keep more of the money they earn.

When we came into office the personal allowance stood at £6,475...

...and the Higher Rate Threshold at £43,875.

In April, I raised the personal allowance to £11,850...

...and the Higher Rate Threshold to £46,350...

...as steps towards our manifesto commitments of £12,500 and £50,000 respectively by 2020.

Those manifesto commitments were, of course, made before our new funding pledge to the NHS...

...and I have received representations that the least painful way for taxpayers to contribute to increased NHS funding...

...would be to abandon our manifesto pledges and freeze the Personal Allowance and the Higher Rate Threshold at current levels.

But let me reassure the House that – [political content removed]- my idea of ending austerity does not involve increasing people's tax bills.

And the improvement we have delivered in the public finances means that, based on the OBR's forecast, published today...

...I do not need to do so.

I can therefore confirm today that I will meet our manifesto commitments in April 2020.

Raising the Personal Allowance to £12,500 and the Higher Rate Threshold to £50,000.

Before indexing both in line with inflation from 21-22.

But our careful management of the economy allows me to go further:

So I will raise both the Personal Allowance and the Higher Rate Threshold to these levels from April 2019...

...delivering our manifesto commitments one year early.

A tax cut for 32 million people...

...£130 in the pocket of a typical basic rate taxpayer...

...meaning since 2015 we've taken 1.7m out of tax altogether...

...and nearly 1m out of higher rate tax.

...And Mr Deputy Speaker,

As a result of the announcements I have made today a single parent, receiving Universal Credit, and working 25 hours a week on National Living Wage will benefit by £890 next year.

The hard work of the British people paying off ...

...in hard cash in their pockets.

We have turned an important corner

Now we must pull together...

...to build the bright, prosperous future that is within Britain's grasp...

...if we choose to seize it:

Embracing change...

...not hiding from it...

...building on the inherent strength of the British economy...

...and the indomitable spirit of the British people.

Mr Deputy Speaker...

[political content removed]

...austerity is coming to an end – but discipline will remain.

This Government is delivering on the British people's priorities...

...supporting our public services...

...investing in Britain's future...

...keeping our taxes low

and getting our debt down...

[political content removed]

We are at a turning point in our history...

...and we must resolve to go forwards, not backwards...

[political content removed]

...and work together to build a Britain we can all be proud of.

I commend this Statement to the House.

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**[News story: Data Integration](#)**



## Competition scoping workshop

The Defence and Security Accelerator (DASA) is interested in finding innovative solutions to how the Ministry of Defence (MOD) accesses, integrates, exploits and utilises its data in an easier, more cost effective and flexible way.

To aid competition development, DASA is holding a workshop on 28 November 2018 where stakeholders/suppliers can learn more about the problem space and help shape the scope of the competition.

More details on the aims of the workshop are included in the [Data Integration workshop document](#).

If you would like the opportunity to participate, please register your interest [here](#). We welcome interest from any organisation including academia and industry.

Places for the event are limited and so please register early to secure a place. If the event is oversubscribed, we may limit the number of attendees from a single organisation.

A full competition may be launched in the future through the [DASA website](#). You can [sign up for alerts](#) on our news pages to keep up to date.

DASA is also running a related Defence Logistics hackathon from 29 to 30 November 2018 at the same venue. Further information can be found on the [Defence Logistics Hackathon page](#). We have deliberately aligned these events to allow people to attend both, though it is not compulsory.

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## Press release: The 2018 Budget: what it means for Scotland

The Budget committed £1 billion in extra money for Scotland, maintained the freeze on whisky and fuel duty, and saw a £150 million investment in the Tay City Region Deal. The Chancellor also committed to progress growth deals in Ayrshire, Moray and Borderlands.

Today's announcements for Scotland include:

- An extra £950 million for the Scottish Government, meaning its budget will have grown in real terms to £32 billion by 2020.
- £150 million for a Tay Cities Deal to support growth and create new jobs.

- A boost to the Scotch Whisky industry, which already accounts for 20% of UK food and drink exports, as Spirits Duty is frozen for the second Budget in a row. This means the price of a typical bottle is 30p lower than if it had risen by inflation.
- A UK-wide £10 million Fisheries Technology Fund to help transform the industry and make fishermen in Scotland world leaders in safe, sustainable and productive fishing.
- Opening formal negotiations for a Moray Growth Deal and progressing talks for Ayrshire and Borderlands Growth Deals.
- Continuing support for the oil and gas sector, through maintaining our globally competitive position and further strengthening Scotland's role as a world leader in this area.
- Appointing a dedicated manager from the British Business Bank in Scotland, for the first time, to help to reduce geographical imbalances in small businesses' access to finance.

Secretary of State for Scotland David Mundell said:

Today's Budget is great news for people in Scotland.

The Chancellor's decisions mean there will be an extra £1 billion to invest in public services in Scotland. I urge the Scottish Government to use this extra money to support the NHS in Scotland, fix the roads, boost Scotland's economy and reinvigorate Scotland's high streets.

The freeze on spirits duty will be a boost to Scotland's whisky industry, maintaining the favourable tax climate for oil and gas will continue to help support the recovery of the sector, investing in fisheries technology will help support a key Scottish industry, and freezing beer duty will support large and small brewers across Scotland.

I welcome the significant investment – £150 million – in the Tay Cities Deal. The Deal will drive economic growth in Tayside, boosting jobs and prosperity throughout the region. I also welcome the announcement that we are to open negotiations on a Moray Growth Deal, and we continue to make progress on Growth Deals for Borderlands and Ayrshire. In all, the UK Government is investing more than £1 billion in City Region Deals right across Scotland, helping to drive growth in Scotland's economy.

On top of our extensive investment in Scotland's economy, individuals up and down Scotland will benefit from the ongoing freeze on fuel duty and the increase in personal allowance. Today's Budget demonstrates clearly how the UK Government is delivering for people in Scotland.

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