

# IFS analysis exposes the appalling failure of seven years of this Government's austerity economics – John McDonnell

**John McDonnell MP, Labour's Shadow Chancellor**, responding to the analysis today by the IFS, said:

"The analysis by the Institute for Fiscal Studies has today exposed the appalling failure of seven years of this Government's austerity economics and its grim consequences for working people.

"Seven years of austerity has not only blighted lives and plunged our public services into crisis, it has also trashed productivity growth and dragged down living standards.

"The NHS faces its toughest ever decade, whilst the IFS expects those on average earnings to be around £1,400 a year worse off by 2021, with workers facing two decades without earnings growth.

"The Tories are overseeing the worst economic growth of any comparable G7 country, while the outlook for real wages and salaries looks dire for generations to come.

"The IFS has also lifted the lid on Philip Hammond's attempt to fiddle the figures, exposing his failed attempts to meet his own targets and admitting his chances of balancing the budget are 'remote'. This means austerity is still top of the Tory agenda and looks set to continue well into the next decade.

"The confirmation that the stamp duty cut will in fact increase house prices, helping sellers and pricing some people, including first-time buyers, out of the market, will come as a major disappointment to many hoping to get onto the housing ladder.

"This is a government and an economic policy that has completely failed by any conventional standard, they can serve no further purpose in office. Labour stands ready to govern in the interests of the many, not the few."

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## [If Government serious about animal welfare they should amend EU Bill – Sue Hayman](#)

**Sue Hayman MP, Labour's Shadow Secretary of State for Environment, Food and Rural Affairs**, commenting on a written statement from the Government on animal welfare today, said:

“Michael Gove's statement today is totally inadequate. The Government had the opportunity to put their warm words on animal welfare into action by backing Labour calls for animal sentience to be recognised as part of the EU Withdrawal Bill but they failed to take it.

“The Tories clearly have a problem when it comes to animal welfare, with Theresa May's declared support during the election for bringing back fox-hunting and the poorly regulated and inhumane expansion of the badger cull across England. If the Government are serious about animal welfare, they should reverse their decision and amend the EU Withdrawal Bill without further delay.”

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## [Great shame UK has been shunned from European Capital of Culture 2023 – Watson](#)

**Tom Watson MP, Labour's Shadow Secretary of State for Digital, Culture, Media and Sport**, commenting on the EU commission's decision to revoke Britain's hosting of European Capital of Culture 2023, said:

“The news that the UK has been shunned from this European cultural competition is a great shame for the whole country and particularly for the cities that had put in bids to be the European Capital of Culture in 2023.

“Some cities have already spent up to £500,000 on their bid submissions.

“Being the Capital of Culture had a transformative effect in Glasgow and Liverpool, fuelling regeneration, tourism and community pride. That opportunity has now been taken away from the bidding cities.

“The Government must now explain how they intend to ensure that Brexit does not leave us culturally isolated from Europe and how the economic and cultural benefits that accompany the European capital of culture will be

maintained.”

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## [The Budget offers no plan to fix the housing crisis – John Healey](#)

**John Healey MP, Labour’s Shadow Housing Secretary**, responding to the Chancellor’s announcements on housing in the Budget, said:

“This is a ‘nothing has changed’ Budget from a Government with no idea of the reality of people’s lives and no plan to improve them. This was billed as the ‘housing budget’, but the announcements fall far short of a proper plan to help fix the housing crisis. There’s zero chance that these small-scale Budget changes will enable the country to build 300,000 new homes a year.

“There is no extra Government investment in new affordable homes, no action to help private renters with soaring costs, and just three small-scale pilots to help the homeless.

“Cutting stamp duty, without the significant increase in house-building that Labour promised, will only drive up prices, rather than help the millions of young people who want to buy a home of their own.

“After seven years of failure on housing, which has seen homelessness double, home-ownership fall to a 30-year low and the lowest number of new social rented homes since records began, the country needed much better than this Budget offered.”

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## [John McDonnell response to the Budget](#)

**John McDonnell MP, Labour’s Shadow Chancellor**, responding to the Budget, said:

“This is a ‘nothing has changed’ Budget from an out-of-touch Government with no idea of the reality of people’s lives and no plan to improve them.

“Philip Hammond has completely failed to recognise the scale of the emergency in our public services.

“Today’s Budget has found no meaningful funding for our schools still facing their first real terms funding cuts since the mid-90s and nothing even approaching the scale needed to address the crisis in our NHS or local government.

“For all the fanfare on housing, today saw more tinkering in place of decisive action, with only one third of funding announced today genuinely new. The Chancellor announced no measures to directly increase house-building and, without that, lifting stamp duty for some will only drive up prices and benefit sellers, as the OBR have acknowledged.

“The Government’s rollout of Universal Credit is causing real suffering in our communities. Today rather than the halt the botched rollout and fix the failing system, the Chancellor has put back £1 for every £10 cut from the system. Today all the Chancellor could offer those struggling with debt and rent arrears is further debt.

“Economic growth is the lowest it has been since the Tories came into office and today’s Budget confirms that failure, with growth and wage forecasts revised down in every year of the forecast. If the Government cannot address the scale of the challenges facing our economy they should stand aside for a Labour government that will.”