

Government announces multi-million pound investment as start of NHS mental health care transformation

- Mental Health Minister announces funding to transform community mental health services as part of NHS Long Term Plan
- First tranche of funding will provide twelve pilot sites with 1,000 staff for new specialist services to treat range of mental health issues
- Part of Government commitment to improve mental health care, backed by an extra £2.3 billion a year by 2023/24, £975 million of which is earmarked for community mental health provision.

Tens of thousands of people with mental ill health across England are set to benefit from better access to psychological therapies, housing advice and employment support in their communities, as part of landmark plans announced today to transform NHS mental health care.

As part of the largest ever funding increase to mental health services, the first wave of 12 areas have been given the green light to recruit 1,000 extra staff and revamp local NHS services to build closer ties with charities, local councils and others – to help support those with the most severe mental health issues in their communities.

The 12 pilot sites will receive £70 million in funding to bring together staff with expertise in treating a range of mental health issues, from eating disorders and alcohol addiction through to complex mental health difficulties such as psychosis or bipolar disorder.

Today's announcement is the first step in a massive £975 million investment into transforming community mental health services, made possible by the Government backing the health service with its largest ever funding increase.

Mental

Health Minister Nadine Dorries said:

“This

Government is committed to improving our NHS and today’s announcement will pave the way for a huge step-change in how the health service supports those with mental health issues in their communities. We know there are many causes behind mental illness – including significant life changes, problems at work or addiction – so it is only right that the NHS brings services together to serve patients in their communities.

“This

funding, the first step in our extra £975 million investment in community mental health care, will allow local areas to recruit extra staff to run brand new specialist services, helping them transform the lives of those suffering from poor mental health.”

The

Government pledged to radically transform community services for those with severe mental health issues as part of the NHS Long Term Plan, and the pilots will be funded as part of the extra £2.3 billion investment in mental health the health service will receive each year, with a view to rolling out the most successful approaches across England.

Around

1,000 extra staff will be recruited to the twelve new sites across the country, which will test out new ways of joining up services, giving people consistent treatment and ensuring they stay in contact with the right care teams, even as their condition improves.

This

will mean people with severe mental illnesses, such as eating disorders and personality disorders, will have better access to psychological therapies and other specialist treatment as soon as they need it.

With

around 20% of people losing contact with the NHS when they move between different teams or services, the twelve sites will also introduce new roles including specialist ‘link workers’, who will be recruited to support people in accessing the different services they need, including in the voluntary sector.

The

new integrated services will mean young, working age and older adults will be

able to flexibly and seamlessly access specialist mental health support directly through their local GP practice or community hub depending on the person's choice, wishes and severity of need at any given time.

Information

gathered from the experience and outcomes of the sites announced today will inform new investment in all parts of England from this year, and all local health and care systems will receive additional funding boosts to transform community mental health care from 2021/22.

CASE STUDY

In
North East London, the money will fund new staff to;

- act as a broker for patients suffering from mental health conditions with their employer
- engage with DWP, housing and social benefits departments on behalf of mental health patients.
- support older, vulnerable patients to access social and wellbeing activities in their local area – preventing loneliness, a cause of mental health.

ENDS

Prime Minister pledges cash injection into UK's scientific discoveries

- £600 million to grow life science companies developing life saving treatments in the UK.
- Prime Minister pledges to break down barriers to commercialise our scientific discoveries in the UK.
- Funding will create highly productive jobs of tomorrow to develop life-saving therapies for many diseases, from cancer to Alzheimer's disease.

The UK's health and life sciences sector will see a significant improvement in their ability to commercialise and grow their discoveries in the UK, after the Prime Minister announced a new cash injection to enable health and life science companies to be able to scale up in the UK.

The £200m Government cash injection will mobilise £400m of private investment to allow science companies scale in the UK. The UK has many promising life science companies, from Oxford Nanopore, which makes a pocket sized DNA sequencer; to Immunocore, which is developing curative cancer therapies. This investment will make it easier for these types of companies to raise capital to run clinical trials, employ more industrial scientists and develop manufacturing capabilities, so they can stay in the UK to grow and develop their expertise.

Patients in the UK will, in the future, have more of their life saving treatments discovered, commercialised and made in the UK. The UK's life science industry is the UK's most productive sector, contributing to 250,000 of the highest value jobs across the country.

The British Business Bank will launch a new dedicated fund to support the growth of more UK-based cutting-edge health and life sciences companies by investing long-term patient capital in the sector.

The Prime Minister has made investing in science and technology a priority since taking office. He recently announced another £200 million for the world's largest genetics project to sequence the genetic code of 500,000 UK patients.

Prime Minister Boris Johnson said:

"The UK has the best universities in the world and we have a proud history of scientific discovery from penicillin to sequencing the human genome. But too often we let another country commercialise this discovery. Today I am changing that.

"We must grow and commercialise our amazing life science discoveries and grow the companies in the UK. I want the lifesaving cancer treatments of tomorrow to say 'discovered and made in Britain'. That means allowing enough late stage capital to be mobilised so that these science discoveries do not have to go

overseas to be commercialised.

“Over

60 years ago, we saw the discovery of DNA in Cambridge by a team of international researchers and today we are going even further. However this research was largely commercialised in California in a \$40bn company based on UK research. This must change.

“This

is part of my vision to have a vibrant post-Brexit economy fuelled by science and technology. The life sciences is a key component of this and we must continue to implement the life sciences industrial strategy.”

The

Government will develop a bespoke Life Sciences Scale-Up Fund of £200 million which will encourage an increase in long-term private equity investment into the scale-up of innovative life sciences companies.

The

new fund builds on the British Business Bank’s existing actions, which have resulted in £120 million being invested in the life sciences sector. This will ensure that UK health and life sciences companies are supported to achieve their ambitions at every stage of growth.

We

will also deliver further measures to ensure that the UK builds on its role as a leading centre for health and life sciences research and a global hub for venture capital. We’re launching a new talent scheme of UK fund managers to attract the best from around the world and providing new support to investors to help them to navigate the UK health system and understand high priority areas for investment.

ENDS

[Javid: £4.3bn in Brexit guarantee funding for EU programmes](#)

The

Chancellor has today announced a guarantee, which the Treasury has estimated at £4.3bn in 2019-20, to organisations that have been granted funding under certain EU programmes, if the UK leaves without a deal on 31st

October.

- In the event it is needed, the funding will be allocated to departments and devolved administrations and amount to £4.3bn in 2019-20, and £16.6bn overall, leading up to 2029.
- The guarantee provides assurance to UK organisations that currently receive EU funding, such as charities, businesses and universities, as the UK leaves the EU and begins to design its own, better targeted and more impactful funding programmes.

The announcement today fulfils the Government's commitment to reassert control over of British taxpayers' money and spend it according to the country's priorities and needs. The UK is currently the second biggest net contributor to the EU after Germany.

Today's announcement builds on previous assurances given by the former Chancellor of the Exchequer.

Chancellor of the Exchequer, Sajid Javid, said:

"We're working tirelessly to get a deal with our EU friends and partners, and our preference remains to leave with a deal, but we will do everything possible to ensure we are prepared for Brexit on 31st October, whatever the circumstances. This guarantee for certain EU-funded programmes is another important step in providing the certainty to citizens and organisations across the UK."

ENDS

Philip Hammond – Spring Statement 2019

Check against delivery

INTRODUCTION

Mr Speaker

Conscious of the fact that the House has other matters on its mind today...

...and in the interest of – relative – brevity...

...alongside this statement I am laying a WMS which contains additional announcements and provides details.

Mr Speaker,

Last night's vote leaves a cloud of uncertainty hanging over our economy.

And our most urgent task in this House is to lift that uncertainty.

But the economy is itself robust:

It has grown for nine consecutive years...

...with the longest unbroken quarterly growth run of any G7 economy...

...and is forecast to continue growing in each of the next five years;

An economy that has created over 3.5million net new jobs under Conservative-led Government;

That has almost halved Labour's shocking legacy of youth unemployment;

That has seen female participation in the workforce increase to record levels...

...and is now delivering the fastest rate of wage growth in over a decade.

An economy that has defied expectations...

...and now provides the solid foundation that Britain needs to seize the opportunities that the future offers.

A far cry from the eight recessions and mass unemployment predicted since 2010 by the House's very own Nostradamus over there, the Shadow Chancellor...

...not so much an astronomer, as a man living in a parallel universe!

And thanks to the difficult decisions we have taken in the last nine years...

...and the hard work of the British people...

...I can also report today on public finances that continue to improve.

So that, provided we **do** reach a deal to leave the European Union with an orderly transition...

...and provided we avoid the disaster of a government led by the front bench opposite...

...this country....for the first time in a decade....will have genuine and sustainable choices about its future.

ECONOMY FORECAST

Today's OBR report marks another step on Britain's journey out of austerity – and I'd like to thank Robert Chote and his team for their work.

Despite the slowing world economy...

...the OBR expect Britain to continue to grow in every year of the forecast...

At 1.2% this year...

...with both the IMF and the OECD forecasting the UK to grow faster than Germany;

Then 1.4% in 2020, as forecast at the budget...

...and 1.6% in each of the final three years;

Cumulative growth over the five years now slightly higher than the Budget forecast.

Meanwhile, Britain's remarkable jobs story is set to continue.

By 2023 the OBR expect to see 600,000 more new jobs.

And despite the constant attempts from the Opposition front bench to talk down our remarkable achievement on jobs...

... the fact is, last year, 96% of new jobs were full-time.

And there's positive news on pay too:

with the OBR revising up wage growth to be 3% or higher in every year.

With inflation now around the target throughout the forecast period...

...that means real wage growth in every year of the forecast.

A growing economy;

a thriving labour market;

inflation on target;

Mr Speaker, A solid foundation on which to build Britain's future outside the EU.

FISCAL FORECAST

And there's positive news on the public finances as well.

Borrowing this year will be just 1.1% of GDP – £3bn lower than forecast at the Autumn Budget – and a staggering £130bn lower than in the last year of the Labour government.

But what's really staggering is that the Shadow Chancellor's critique of that Government is that it didn't spend enough!

Looking forward, borrowing will fall from £29.3bn in 2019-20, then £21.2bn, £17.6bn, £14.4bn and finally £13.5bn in 2023-24 – its lowest level in 22 years.

We remain on track to meet both of our fiscal targets early...

...with the cyclically adjusted deficit at 1.3% next year, falling to just 0.5% by 2023-24...

... and headroom against our fiscal mandate in '20-'21 increasing from £15.4bn at the Autumn Budget...

... to £26.6bn today.

Less borrowing means less debt – now lower in every year than forecast at the Budget, falling to 82.2% of GDP next year, then 79%, 74.9%, 74%, and finally 73% in 2023-24.

Our National Debt falling sustainably – for the first time in a generation.

A major milestone on the road out of the crisis we inherited from Labour...

...and a key dividing line today:

...between

a Shadow Chancellor, whose plans would send debt soaring above 100% of GDP...

...and a Conservative Government committed to bringing our national debt down.

FISCAL STRATEGY AND PUBLIC SPENDING

Since 2010 we have been steering the country on a journey of recovery from Labour's recession.

Back then, the most important task was to get borrowing down to manageable levels.

But when I became Chancellor in 2016...

...I recognised that, with the progress we had already made...

...as well as getting Britain's debt down...

...our continued success as a nation would depend on investing in our future...

...supporting our vital public services...

...and keeping taxes low to attract talent and investment.

I called it a "balanced approach".

And it is delivering:

the highest sustained levels of public capital investment in 40 years...

...cuts in income taxes for 32 million people in three weeks' time...

...and debt on a sustained downward path for the first time in a generation.

I have made over £150bn of new spending commitments since 2016...

And at the Budget I announced that the long, but necessary, squeeze on current public spending would come to an end at the upcoming Spending Review...

...and I set out an indicative 5-year path of 1.2% per annum real terms **increases** in day-to-day spending on our public services...

...compared to real terms **cuts** of 3% per annum announced at SR 2010 and 1.3% at SR 2015.

We have made our biggest choice on public spending:

putting the NHS first in line – as the British public expects...

...with my RHF the Prime Minister's announcement of £34bn of additional funding per year by the end of the period – the single largest cash commitment ever made by a peacetime British Government – to support the new NHS plan...

...delivering improved cancer and mental health care...

...a transformation of GP services...

...more doctors, more nurses and better outcomes for patients.

Now we need to address wider Departmental spending for the next Review period.

So I can confirm today that, assuming a Brexit deal is agreed over the next few weeks and the uncertainty that has been hanging over us is lifted...

...I intend to launch a full three-year Spending Review before the summer recess, to be concluded alongside an Autumn Budget.

It will set Departmental budgets beyond the NHS...

...to reflect the public's priorities between areas like social care, local government, schools, police, defence and the environment...

... and will maximize value for taxpayers' money through a renewed focus on high quality outcomes.

And if we leave the EU with a deal...

...and an orderly transition to a future economic partnership...

...we **will** see a Deal Dividend:

From an economic boost from recovery in business confidence and investment.

And from a reduction in the minimum necessary level of fiscal headroom once the risk of a "no deal" exit is removed.

Giving us real choices as we use the Spending Review...

...to decide how much of this "Deal Dividend" we can prudently release...

...and how we would share it between increased spending on public services, capital investment in Britain's future prosperity and keeping taxes low...

...all while continuing to get the debt down.

Real terms increases in public spending;

Record investment in Britain's future;

More jobs than ever before;

Higher wages and lower taxes meaning increased take-home pay...

...and for the first time in a generation debt going down;

That, Mr Speaker, is what I mean by an end to austerity...

...delivered by a Conservative Government.

NO DEAL PLANNING

But, Mr Speaker,

All of the progress we have made will be at risk if we cannot secure a smooth and orderly exit from the EU...

...and a transition to a new partnership that protects the complex trading relationships businesses have built up over 45 years...

...and on which so many British jobs depend.

I hoped we would do that last night...

...But I am confident that we, as a House, **will** do it over the coming weeks.

Leaving with "No Deal" would mean significant disruption in the short- and medium-term...

...and a smaller, less prosperous economy in the long-term, than if we leave with a Deal.

Higher unemployment; lower wages; higher prices in the shops.

That is **not** what the British people voted for in June 2016.

Which is why all of us have a solemn duty in the days and weeks ahead...

...to put aside our differences and seek a compromise on which this House **can** agree...

...in the National Interest.

But Government also has a duty to plan for every reasonably foreseeable contingency...

...and we have done so.

First, we have plans in place to minimise disruption to our financial system – and the Bank of England judges that it is resilient to any likely "no-deal" shock.

Second, we have worked across Whitehall to put in place mitigations at our border...

...although we cannot regulate how the EU will operate its border in a no-deal exit.

Third, we have published today our temporary UK No Deal tariff schedule, carefully balancing the needs of producers and consumers in the context of the pressures the "no-deal" economy would face.

And fourth, the Treasury and the Bank of England together have all the tools of fiscal and monetary policy available to us, including the fiscal headroom I have held in reserve.

But I need to be straight with the House: a no-deal Brexit would likely deliver a significant short- to medium-term reduction in the productive capacity of the British economy.

And because our economy is operating at near full capacity, any fiscal and monetary response would have to be carefully calibrated not to simply cause inflation...

...compounding the effect of any movement in the exchange rate on the price of goods in our shops.

And while fiscal and monetary intervention might help to smooth our path to a post-Brexit economy...

...both could only be temporary...

...and neither would allow us to avoid the effects of a relatively smaller economy...

...nor the pain of restructuring.

So, the idea that there is some simple, readily available, fix that can be deployed to avoid the consequences of a no-deal Brexit is, I am afraid, just wrong.

BUILDING AN ECONOMY FIT FOR THE FUTURE

But, Mr Speaker,

I'm confident that we're going to do a Deal.

And when we do, the British people will fully expect us to fire-up our economic plan...

...to seize the opportunities as confidence in our economy returns.

But, it isn't just the spectre of no deal that we need to overcome to restore confidence and unlock a brighter future;

Because, while we, on this side of the House, will always be the party of business – and small business especially – the Shadow Chancellor identifies business as “the enemy”.

A government led by the Leader of the Opposition would:

“chill the very marrow of our economy, destroying jobs and stifling innovation”.

Not my words, Mr Speaker...

...but those of the former Labour member for Penistone and Stocksbridge.

And she is right.

So our task is to demonstrate to the British people that...

...working with business, through the mechanism of a well-regulated market economy, our plan will deliver a brighter future for them...

...so that they are never, **ever**, tempted by the empty promises and dangerous rhetoric of the front bench opposite.

A plan which makes the most of the opportunities ahead as we make our own way...

...independent from, but in continuing partnership with, the European Union.

A plan to embrace the technologies of the future and equip British workers to use them;

to back the enterprise and ambition of British business;

to support our world-leading entrepreneurs, creators and innovators...

... inventors and discoverers;

to build on the UK's fundamental strengths and competitive advantages...

...to slay once and for all the twin demons of low productivity and low wages...

...and build an economy that works for everyone.

INVESTMENT AND INFRASTRUCTURE

Mr Speaker,

The only sustainable path to higher wages and rising living standards is to boost productivity.

And to do that, we are investing in infrastructure, skills, technology and housing – under our plan for Britain's future:

With £37bn in the National Productivity Investment Fund;

the largest ever investment in England's strategic roads;

the biggest rail investment programme since Victorian times;

and a strategy for delivering a nationwide full fibre network by 2033.

At SR19, we will set multi-year capital budgets...

following a zero-based review...

...protecting our record levels of capital spending...

...while ensuring that investment is focussed to deliver the greatest impact on productivity.

Our investment strategy is benefitting the whole of the UK.

I can announce today up to £265m for the innovative Borderlands deal covering the border regions of England and Scotland, on top of the £100m HIF funding already announced for Carlisle...

...and £25m for the Moray growth deal.

Negotiations are progressing on future deals for mid-Wales and Derry/Londonderry...

...and I reiterate our commitment to the Northern Powerhouse Rail project and look forward to considering TfN's business case ahead of SR19.

We will publish the updated National Infrastructure Strategy alongside the Spending Review...

...and I am publishing today a consultation on our approach to supporting private infrastructure investment as we leave the European Investment bank and retire Labour's discredited PFI.

SKILLS

But raising our productivity isn't just about investing in physical capital – it's also about investing in people.

The Augar review of Tertiary Education will be published shortly and will be an important contribution to the government's overall review – which we will complete before the Spending Review. We are committed to returning technical and vocational skills to the heart of our education system...

...with the new T-level system on track to deliver the first three routes in 2020;

the first phase of the National Retraining Scheme starting this summer;

and the apprenticeship programme rolling-out 3 million new high-quality

apprenticeships.

And to help small businesses take on more apprentices, I can announce that I am bringing forward to April 1st the £700m package of reforms I announced at Budget.

The productivity agenda is, above all, about increasing the wages of the lowest-paid.

And the pay of a full-timer on National Minimum Wage has risen by £2,750 a year since 2016..

We've confirmed the Low Pay Commission's remit for the National Living Wage to reach 60% of median earnings by 2020.

But later this year we will need to set a new remit beyond 2020.

We want to be ambitious...

...driving productivity across the income distribution, with the ultimate objective of ending low pay in the UK.

But we also want to take care to protect employment opportunities for lower paid workers.

So we have asked Professor Arin Dube, a world-leading expert in the field, to undertake a review of the international evidence on the employment and productivity effects of minimum wage rates.

This study will support the extensive discussions we will be having with employer organisations, the TUC and the LPC itself over the coming months...

...starting with a roundtable which I will chair next month.

So while the Opposition front bench grandstands...

...this Conservative government is delivering **sustainable** pay rises for millions of British workers.

MIGRATION

Mr Speaker,

Alongside our commitment to giving British workers the skills they need...

...is a commitment to maintaining the openness of our economy to talent from around the world.

As we leave the EU, free movement of people will end...

...and we will take back control of our borders.

My RHF the Home Secretary has set out a framework for a future immigration system in the Immigration White Paper...

...focussed on attracting those with the skills we need in the UK economy – no matter where they come from.

We have committed to consulting with business to ensure that the new system supports the needs of our economy...

...and as we do so, I can announce that from June, we will abolish the need for paper landing cards at all airports...

...and we will allow citizens of the USA, Australia, New Zealand, Canada, Japan, Singapore and South Korea to use e-gates at our airports and Eurostar terminals, alongside the EEA nationals who can already use them.

A signal to the World, Mr Speaker, of our commitment to Global Britain

INNOVATION, SCIENCE AND TECHNOLOGY

Another key pillar of our plan is backing Britain to remain at the forefront of the technology revolution that is transforming our economy.

And to support that ambition, from this Autumn we will completely exempt PhD-level roles from the visa caps.

Since 2016 we have launched our Modern Industrial Strategy...

... and committed an additional £7bn to science and innovation – clear progress towards our target of total R&D spending reaching 2.4% of the economy.

But technology does not stand still, and neither can we.

So, to maintain the UK's technological edge, we will invest £79m in ARCHER2, a new supercomputer to be hosted at Edinburgh University...

...up to five times faster than the current generation...

...capable of ten thousand trillion calculations per second...

I am allocating £45m of NPIF funding to the European Bioinformatics Institute – ensuring Britain's continued lead in genomics research;

I will guarantee our commitment to the UK's funding for the JET nuclear fusion reactor, whatever happens with Brexit

...and invest £81m in a new Extreme Photonics Centre in Oxfordshire to develop new types of lasers –

Literally the cutting edge of technology, Mr Speaker.

DIGITAL COMPETITION

The digital economy presents enormous opportunities...

...but enormous challenges as well.

I have already responded to concerns about unfairness in the tax system with a new Digital Services Tax so that digital platform companies pay their fair share.

But we also need to adapt our regulatory environment to ensure competition works for consumers in the digital market place, as it does in the real market place.

So, I asked Professor Jason Furman, Barack Obama's former Chief Economist, to review competition in the digital market.

I welcome his report – published today – which sets out far-reaching recommendations including new powers for consumers and an overhaul of competition regulation...

...updating our regulatory model for the digital age.

As a first step towards implementing reforms, I am asking the Competition and Markets Authority to undertake a market study of the digital advertising market as soon as possible.

Mr Speaker, the UK **will** remain a great place to do digital business...

...but it will be a place where successful global tech giants pay their fair share...

...where competition policy works in consumers' interests...

...and where the public are protected from online harms.

Under this government, Britain will lead the world in delivering a digital economy that works for everyone.

HOUSING

Mr Speaker,

We, on this side, and many on the backbenches opposite, understand that a well-regulated market economy is the best – indeed, the only – way to deliver a brighter future for our country.

Our challenge is to demonstrate to the next generation that our market economy can fulfil their aspirations and speak to their values.

So, before I finish, I want to talk about two subjects dear to them: Housing and the environment.

Last year, housing delivery exceeded 220,000 additional homes.

...the highest level in all but one of the last 31 years.

Mr Speaker, our ambitious plan to restore the dream of home ownership to millions of younger people is already delivering:

Planning reform to release land in areas where the pressure is greatest;

A five-year, £44bn housing programme, to help raise annual housing supply to 300,000 by the mid-2020s;

the Help to Buy Equity Loan scheme;

abolition of Stamp Duty for First Time Buyers...

...which has so far helped 240,000 people onto the property ladder...

...and restored the proportion of first-time buyers to above 50% for the first time in a generation.

And today I can announce:

A new £3bn Affordable Homes Guarantee scheme, to support delivery of around 30,000 affordable homes;

The launch of the £1bn Enable Build SME guarantee fund that I announced at Budget, next month;

And £717m from the Housing Infrastructure Fund to unlock up to 36,000 new homes on sites in West London, Cheshire, Didcot, and Cambridge...

...the latter two being at opposite ends of the Oxford-Cambridge Arc...

...for which I am publishing a new vision statement today.

GREEN GROWTH

Mr Speaker, as with the challenge of adapting to the digital age...

...so with the challenge of shaping the carbon neutral economy of the future...

...we must apply the creativity of the marketplace to deliver solutions to one of the most complex problems of our time – climate change...

...and build sustainability into the heart of our economic model.

The UK is already leading the world – reducing the carbon intensity of our economy faster than any other G20 country...

...with ambitious and legally binding targets for the future.

Today I can announce our next steps:

First, we will publish a call for evidence on whether all passenger carriers

should be required to offer genuinely additional carbon offsets...

...so that customers who want "zero carbon travel" have that option...

...and can be confident about additionality.

Second, we will help small businesses cut their carbon emissions and their energy bills, publishing today a call for evidence on the Business Energy Efficiency Scheme announced at the Budget.

Third, we will publish proposals to require an increased proportion of green gas in the grid, advancing decarbonisation of our mains gas supply.

And finally, we will introduce a Future Homes Standard, mandating the end of fossil-fuel heating systems in all new houses from 2025.

Lower carbon – and lower fuel bills too.

Mr Speaker,

Climate change is not our only environmental challenge.

We are already consulting on new tax and regulatory measures to tackle the scourge of plastic waste defacing our countryside and choking our oceans...

Now, for the first time in 60 million years, the number of species worldwide is in sustained mass decline.

The UK's 1,500 species of pollinators deliver an estimated £680m annual value to the economy – so there is an economic, as well as an environmental, case for protecting the diversity of the natural world.

So, following consultation, the government will use the forthcoming Environment Bill to mandate biodiversity net gain for development in England...

...ensuring that the delivery of much-needed infrastructure and housing is not at the expense of vital biodiversity.

But this is a global problem...

...so later this year, the UK Government will launch a comprehensive global review of the link between biodiversity and economic growth.

We should be proud that the UK, with its Overseas Territories, has already declared more than 3m square kilometres of Marine Protected Area. And today I can announce our intention to designate a further 445,000 square kilometers of ocean around Ascension Island as MPA.

This Conservative Government...

...taking action now to deliver our pledge to be the first in our history to leave our environment in a better condition than we found it.

Mr Speaker,

Before I conclude, I have three further announcements to make.

First, in response to rising concern by Headteachers that some girls are missing school attendance due to inability to afford sanitary products, I have decided to fund the provision of free sanitary products in secondary schools and colleges in England from September. I congratulate those Honourable Members who have campaigned on this issue and my RHF the Education Secretary will announce further details in due course.

Second, I announced a year ago that we would take definitive action to tackle the scourge of late payments for our small businesses. A full response to last year's call for evidence will be published next month, but I can announce today the first step of our response – we will now require company Audit Committees, chaired by a non-executive director, to review payment practices, and report on them in their Annual Accounts. My RHF the Business Secretary will announce further details in due course – and I congratulate the FSB on its tireless campaign on this issue.

Third, the recent surge in knife-crime represents a personal tragedy for the scores of families of victims, and I know I speak for the whole House when I offer my deepest sympathies to them. We must, and we will, stamp this menace out.

Police funding is due to rise by up to £970m from April. Many Police & Crime Commissioners have already committed to using this extra funding to recruit and train extra police officers.

But that takes time. And action is needed now.

So today I can announce that we will make available immediately to police forces in England an additional £100m over the course of the next year, ring-fenced to pay for additional overtime targeted specifically on knife crime...

...and to fund pilots of Violent Crime Reduction Units to deliver a wider cross-agency response to this epidemic.

Ahead of the Spending Review, my RHF the Home Secretary will work with the police to consider how best to prioritise resources, including newly funded manpower, to ensure a lasting solution to this problem.

CONCLUSION

To be honest, Mr Speaker.

We are not, today, where I hoped we would be.

Our economy **is** fundamentally robust...

...in it's ninth consecutive year of growth...

...with rising wages...

...record employment...

...and rapidly improving public finances.

We have huge opportunities ahead of us:

Our Capital is the world's financial centre;

Our Universities are global powerhouses of discovery and invention;

Our businesses are at the cutting edge of the tech revolution;

And we have shown that we are not shy, as a nation, of the tasks that lies ahead:

We are addressing the environmental challenges that threaten our planet;

We are building the homes that the next generation desperately need;

We are investing in our future.

We are tackling the productivity gap...

...and embracing technological change, rising to its challenges and seizing its opportunities;

Our potential is limitless;

But the uncertainty that I hoped we would lift last night still hangs over us.

We cannot allow that to continue:

It is damaging our economy...

...and it is damaging our standing and reputation in the world.

Tonight, we face a choice:

we can remove the threat of an imminent no-deal exit hanging over our economy.

Tomorrow, we will have the opportunity to start to map out a way forward...

...towards building a consensus across this House...

...for a deal we **can**, collectively support, to exit the EU in an orderly way...

...to a future relationship that will allow Britain to flourish.

Protecting British jobs and businesses;
Building on the strong foundations of our economy...
...a proud, successful, outward-looking nation...
...with no limit to our ambition...
...and no boundaries to what we can achieve.
That brighter future is within our grasp;
Tonight, let's take a decisive step towards seizing it...
...and building a better Britain.
And I commend this Statement to the House.

[Philip Hammond: Autumn Budget 2018](#)

Philip Hammond, Chancellor of the Exchequer, speaking today in the Houses of Parliament, said:

(Checked against delivery)

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, Mr Deputy Speaker, 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...

Mr Deputy Speaker...they were driven by necessity;

Driven by the failure of the Party Opposite in Government, which led to...

...our deficit soaring to a post-war record...

...and our economy suffering the deepest recession since the Second World War.

That, Mr Deputy Speaker, was our inheritance.

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 delivered 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...

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

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 that is usually associated with Wednesday..

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

[Record]

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 Labour's Great Recession...:

..Because, for all Labour's carping and relentless negativity...

...talking Britain down at every opportunity...

We the British people have a record to be proud of:

Eight straight years of economic growth;

Over 3.3 million more 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;

Income inequality lower NOW than at any time under the last Labour Government;

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 I am holding in reserve at 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 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 necessary including upgrading 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 Mr Deputy Speaker, that's over 4.2 million net new jobs since 2010...

...making the Shadow Chancellor's prediction of 1.2m jobs lost out by the tiny margin of 5.4m...

...or roughly the population of Scotland!

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...

...a far cry from the dismal picture that the Leader of the Opposition is so desperate to paint every Wednesday.

Turning 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 made since the Spring Statement, including measures I shall announce today, shows the deficit down from almost 10% under Labour...

...to less than 1.4% next year under this Conservative Government...

...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 2021...

...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 from Labour's Great Recession.

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,

While we are working to get Britain's debt down...

...to end the nightmare of wasting over £50bn a year on interest...

...the party opposite would do the opposite:

Their plans would increase tax and borrowing by a thousand billion pounds...

...taking our debt-to-GDP ratio soaring to well over 100%.

A reckless and irresponsible policy from a reckless and irresponsible party.

But 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 of 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 we 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 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 real growth was -3%;

In Spending Review 2015 it was -1.3%;

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

The era of 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 seem to have escaped just a little early!

In June, My RHF the PM 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...

...half as much again as the increase Labour offered the NHS at the last election.

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 a very 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 the 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:

I too can poach a rabbit every now and again. 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 the tragedy of too many lives lost to suicide.

We are proud to have made this extraordinary commitment to funding our NHS – a precious institution that has been nurtured for most of its life by Conservative Governments.

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 provide necessary certainty for forward planning.

[Local Government]

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, 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 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...

...a Deterrent Mr Deputy Speaker that allows us to sleep easy in our beds...

...but one that the Leader of the Opposition and the Shadow Chancellor have spent their political lifetimes campaigning to abolish.

Nobody should be in any doubt that on this side of the House 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 for 2019-20...

...to protect CT police numbers in 2019-2020...

...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 of them are being refurbished to commemorate the centenary.

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

And as our focus moves from 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, 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, for us on this side of the House, "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 and 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 at the last two Budgets I might have given the House just a little bit more detailed information on productivity enhancement 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 (further) measures we will take today...

Sensing the disappointment of some of my colleagues I will set out some of these...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 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...

...and will, on average, be an astonishing £460m a week higher, in real terms, than under the last Labour Government.

A Conservative Government...Mr Deputy Speaker

...investing in the roads, railways, research, and digital infrastructure that will power our economy 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.

The Shadow Chancellor, of course, rages against PFI at every opportunity...

...yet curiously, forgets to mention that nearly 90 per cent of those contracts were agreed by the last Labour government...

...leaving the nation with a bill of more than £200 billion to pay off...

In what would be the most potent symbol of the economic mismanagement of the last Labour government...

...if only Gordon Brown hadn't sold the gold.

Labour's policy is to terminate all these contracts...

...triggering the ruinous penalty clauses that they themselves agreed to in the first place...

...adding tens of billions more to that already enormous bill.

A classic Labour solution: pouring good money after bad.

I will not do that.

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.

Putting another legacy of Labour behind us.

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.

The RHM for Hayes and Harlington lists "fomenting the overthrow of capitalism" as his pastime.

Mine is "reinvigorating capitalism for the digital age"...

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

On this side of the House 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 idea 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 Mr Deputy Speaker 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 half 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 £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 any strategy for a dynamic economy,

So I will retain the 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.

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 during the consultation, including many from my honourable and right honourable friends, 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 DS, 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.

Mr Deputy Speaker,

Labour talk tough on tax avoidance and evasion...

...we take action.

[High Streets]

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'll 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...

At one and the same time...helping with the housing challenge...

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

We will 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 that 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 a 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 DS, 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...

...the House will be interested to know...well at least I am demonstrating that we are all British...this relief will extend to any such facilities made available for public use, whether publicly or privately owned.

Honestly, MR DS, 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'll make this relief retrospective so any first time buyer who has made 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 to 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...well maybe the Honourable Lady would like to read the report... for reform of the planning system in respect of very large strategic housing sites.

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.

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 in 20-21 an additional...

£950m for the Scottish Government;

£550m for the Welsh Government.

And £320m for a Northern Ireland Executive. Obviously much larger sums to come...

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 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 with the city with £2m help towards the recovery of the city centre following the fire at the iconic Bank Building ...

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

...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.

A Conservative Government, Mr Deputy Speaker, delivering for all our proud nations...

...and for all our English regions.

Driving growth and prosperity across our United Kingdom.

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, to ensure that we leave our environment in a better state than we inherited it...

There is one particular measure I want to mention...

...the Shadow Chancellor's recent accident has reminded us all how dangerous abandoned waste can be...

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

...although I can't guarantee to the House that £10m is going to be enough to stop him falling flat on his face in the future.

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 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 which the takeaway drinks industry is taking to reduce single-use plastics...

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

But 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...

...I will therefore 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 the Red Book.

Mr Deputy Speaker,

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

...it replaces the broken system left by the last Labour Government, a system Mr Deputy Speaker, that trapped millions on out-of-work benefits for nearly a decade.

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, what a surprise Mr Deputy Speaker from the Opposition frontbench, with 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, 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 on this side of the House – 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 this Conservative Government 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 by a Conservative Government in 2016.

From April it 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 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 for 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 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.

I hear the Honourable Lady but her point is slightly muted as she made in it the Autumn of 2016 and again in the Autumn of last year.

Mr Deputy Speaker...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 – unlike the RHG Opposite – my idea of ending austerity does not involve increasing people's tax bills.

I didn't come into politics to put taxes up.

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 people out of tax altogether..

...and nearly 1m people 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.

Mr Deputy Speaker 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...

...under this Conservative government...

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

...austerity is coming to an end – but discipline will remain, and that is the clear dividing line in British politics today:

Between a Conservative Government delivering on the British people's priorities...

...supporting our public services...

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

...keeping taxes down...

...and getting our debt down...

...or the Corbyn Party...

...whose idea of ending austerity is to raise taxes to their highest level in peacetime history...

...who would send our debt soaring...

...who would squander the hard-won achievements of the past eight years...

...and take this country back to square one.

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

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

...we must resolve to reject the relentless negativity of the Leader of the Opposition...

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

I commend this Statement to the House.

ENDS

For further information, please contact the Press Office on 020 7984 8121.