Alister Jack Visits Teesside Freeport

Scottish Secretary Alister Jack today [9 June] visited Teesside Freeport in Middlesbrough.

With just over a week to go before bidding closes on the competition for the two Scottish Green Freeports, Mr Jack met the operators of the Teesside Freeport to hear about the benefits to businesses and the local community of their Freeport status.

The UK Government is investing up to £52 million to bring two Green Freeports to Scotland, in partnership with the Scottish Government. The new hubs will support the regeneration of communities in Scotland, bring jobs and prosperity, and support UK Government work to level up all parts of the United Kingdom.

Following a twelve-week process, bids from prospective operators need to be in by 10am on Monday 20 June. Bidders must set out how they will regenerate their area, create high quality jobs, and support transition to a net-zero economy.

Secretary of State for Scotland Alister Jack said:

> I was very pleased to visit the Teesside Freeport today, and hear first-hand how their Freeport status is helping attract business, investment and jobs to the area.
>
> As the first in the UK, it is a fantastic example of what can be achieved, securing multimillion-pound investments in renewables production to contribute to our long-term energy security.
>
> UK Freeports are a key part of the UK Government’s Levelling Up strategy – they will bring innovation, jobs, prosperity and regeneration. It is great news that we will shortly bring two UK Freeports to Scotland. There is a huge amount of interest from Scottish operators, and I look forward to seeing a strong set of bids.

Tees Valley Mayor, Ben Houchen, said:

> It was an honour to welcome the Scottish Secretary to the Teesside Freeport and show him everything we’re achieved in just a few short months since its launch. We’re pioneering the cleaner, healthier and safer industries of the future, with many of them coming to our area because of our Freeport status.

> Alister Jack is just the latest minister we've welcomed to Teesworks and our Freeport. We've hosted everyone, from politicians such as Michael Gove MP, the Levelling Up Secretary, and Helen Whately MP, the Exchequer Secretary to the Treasury, to business bosses like BP's CEO Bernard Looney and Barclays CEO CS Venkatakrishnan.

> Our Freeport is on course to supercharge Teesside, Darlington and Hartlepool, creating thousands of good quality, well-paid jobs and driving billions into the local economy.

UK Freeports are special areas where different economic regulations apply. Freeports are centred around one or more air, rail, or seaport, and can extend up to 45km beyond the port(s).

Any sea, air or rail port can apply as part of a consortium with other businesses, the council, and other relevant public bodies. Any consortium wishing to bid to establish a Green Freeport must guarantee that local communities will benefit from it, as well as delivering on ambitious targets for Net Zero.

Covering 4,500 acres, the Teesside Freeport was the first of the UK Freeports to open, in November last year. It is expected to create more than 18,000 new highly skilled jobs over the next five years, and generate billions for the local economy. It has already secured multimillion-pound investment from GE Renewables to build a new offshore wind blade manufacturing plant.

Further information about the Teesside Freeport can be found here.

Further information about the bidding process for the Scottish Green Freeports can be found here.

Health and Social Care Secretary speech on leadership review

Mr Speaker, with permission, I'd like to make a statement on the independent leadership review of health and social care.

This is an important report that comes at a critical time.

This government is embarking on a huge programme of reform.

To tackle the Covid backlogs, improve people's experience of the NHS and social care, and to place this system on a sustainable footing for the future.

But we cannot seize this opportunity and deliver the change that is so urgently needed without the best possible health and care leadership in place.

Because great leaders create successful teams, and successful teams get better results.

So a focus on strong and consistent leadership at all levels, not just on those who have the word “leader” in their job title, this will help us in our mission to transform health and care and level up disparities and patient experiences.

This review, which I’ve deposited in the libraries of both Houses, was tasked with proposing how to deliver a radical improvement in health and social care in the leadership across England.

It sets out a once in a generation shake-up of management, leadership and training, as well as how we can make sure that health and care is a welcoming environment for people from all backgrounds.

It’s free from bullying, harassment and discrimination.

Mr Speaker, the review was led by General Sir Gordon Messenger, former vice-chief of the defence staff, and by Dame Linda Pollard, the chair of Leeds Teaching Hospitals NHS Trust.

I’d like to thank them both for taking on this role and for providing their varied expertise of leadership, along with everyone else in their review team who has contributed to this important review.

Before I turn to the recommendations of this review, I’d like to update the House on its findings.

The review found that, although there are many examples of inspirational leadership within health and social care from ward to board, these qualities are not universal and I quote, from the report, “there has developed over time an institutional inadequacy in the way that leadership and management is trained, developed and valued.”

As a result, careers in management aren’t viewed with the same respect and prestige as clinical careers.

The review also found “too many reports to ignore” – quoted in the report – of poor behaviour.

And that the acceptance of bad behaviours like discrimination, bullying and responsibility avoidance has become – and I quote again – “almost normalised” in certain parts of the system.

We must only accept the highest possible standards in health and care, where failures in culture and leadership can be making the difference between life and death.

So we must do everything we can in our power to share and promote brilliant, innovative management and to act firmly where standards do fall short.

This means culture change from the top of the system to the front-line, and the review identifies a number of areas where improvement is needed.

It makes seven transformative recommendations and I'd like to update the House quickly on each of them in turn.

First, the review recommends new measures to promote collaborative leadership and to set a unified set of values across health and care.

This includes a new, national, entry-level induction for new joiners to health and care, and a new national mid-career programme for managers.

Second, the review recommends that we should agree and set uniform standards for equal opportunities and for fairness, with more training to ensure that the very best leadership approaches become ingrained and that the CQC must support this work, by measuring progress through regular assessments.

Mr Speaker, this doesn't mean more people working in diversity but fewer.

In my view, there are already too many of these roles and, at a time when our constituents are facing some real pressures around the cost of living, we must spend every penny with care.

Instead of farming out important task to a specific group of managers it must be seen as everyone's responsibility, with everyone accountable for extending fairness and equal opportunities at work.

Third, the review recommends a single set of unified leadership and management standards for NHS managers.

These standards would apply to everyone, including those who work part-time and flexibly, with a curriculum of training and development to help people to meet them.

This is well overdue modernisation and completing this training should be a pre-requisite to advance to more senior roles.

Fourth, the review recommends a more simplified, standardised appraisal system for the NHS.

Moving away from variation in how performance and career aspirations are managed towards a more consistent system that takes into account how people have behaved, not just what they have achieved.

Fifth, the review identifies a lack of structure around careers in NHS management.

It proposes a new career and talent management function for managers at a regional level.

To oversee and support careers in NHS management and to provide clear routes to promotion, along with training and development.

Sixth, the review recommends that the recruitment and development of non-executive directors needs to be given greater priority due to their vital role in providing scrutiny and assurance.

It proposes an expanded specialist appointments team in the NHS tasked with encouraging a diverse pipeline of talent.

Finally, there is currently little or no incentive for leaders and managers to move into the most challenging roles as the barriers are seen as simply too high.

But I want leaders in the NHS to seek out those roles and not shy away from them.

It is essential that we address this and get great leaders into the areas that feel left behind.

The review proposes an improved offer, with stronger support and incentives to recruit top talent into these positions.

Mr Speaker, these are comprehensive, common-sense recommendations and we will be accepting them in full.

The recommendations have been welcomed by groups that represent people who work throughout the NHS, including the NHS Confederation and NHS Providers.

By taking this review forward, we can finally bring how we do health and care leadership into the 21st century.

So we have the kind of leadership that patients and staff deserve, right across the country and we make sure that some of our country's most cherished institutions can thrive in the years that lie ahead.

I commend this statement to the House.

Right to buy extension to make home ownership possible for millions more people

- Right to Buy scheme extended to housing association tenants, with government pledging to build a new social home for every one sold

- Universal Credit reform will incentivise more hard-working people to save for a house deposit
- Review of mortgage lending market will aim to turn more of ‘Generation Rent’ into ‘Generation Buy’

Two and a half million tenants renting their homes from housing associations will be given the right to buy them outright, the Prime Minister has announced.

In a speech today, he has confirmed an extension of the popular Right to Buy scheme, which has made home ownership a reality for two million households since the 1980s.

Currently, tenants in council homes are eligible to buy their homes at a discounted price, up to 70% off the market value dependent on how long they have lived there. However, the scheme is less generous for those in homes owned by housing associations.

Extending the scheme could benefit up to 2.5 million tenants who would gain the right to buy, freeing them up to become homeowners, and add value and make improvements to their home as they wish. The Government will work closely with the housing association sector on the design of the scheme.

Social housing will always play an important role in our society, so the Prime Minister will also commit to the building of replacement social homes for each one sold.

The Prime Minister said:

> Just as no generation should be locked out of home ownership because of when they were born, so nobody should be barred from that same dream simply because of where they live now.
>
> For four decades it has been possible for council home tenants to use a discount to buy the property they live in.
>
> Over that time almost two million people have been helped into home ownership.
>
> They have switched identities and psychology, from being dependent on the state for every repair – from damp-proofing to a new front door – to being in charge of their own family home, able to make improvements and add value as they please.

In order to turn more members of ‘Generation Rent’ into ‘Generation Buy’ the government will also launch an independent review of access to mortgage finance for first-time buyers, with the aim of making it easier for this group by widening access to low-cost, low-deposit finance such as 95% mortgages.

Currently, soaring house prices, stringent mortgage lending restrictions and high deposit requirements are hampering the ambition of many young people who want to own their own home. Over 50% of today’s renters could afford the monthly cost of a mortgage but various constraints mean only 6% could immediately access a typical first-time buyer mortgage.

This will be the first comprehensive review of the mortgage market for a decade, seeking bold and innovative steps that Government and industry can take to support more first-time buyers into homeownership.

As the Prime Minister set out:

> We have a ludicrous situation whereby plenty of younger people could afford to make monthly mortgage payments – they’re earning enough to cover astronomical rent bills – but the ever-spiralling price of a house or flat has so inflated deposit requirements that saving even just 10 per cent is a wholly unrealistic proposition for them.
>
> First-time buyers are trying to hit a continually moving target.
>
> And of course the global rise in the cost of living is only making life harder for savers.
>
> So we want it to be easier to get a mortgage.
>
> Reporting back this Autumn [the review] will look at how we can give our nation of aspiring homeowners better access to low-deposit mortgages.

The Prime Minister has also pledged to turn ‘benefits to bricks’ – changing welfare rules so that the 1.5 million people who are in work but also on housing benefit will be given the choice to use their benefit towards a mortgage, rather than automatically going directly to private landlords and housing associations.

The welfare system exists as a safety net to help the poorest people, but the government also wants to incentivise people to find work and take steps to better their lives.

So if a hard-working family saves a deposit to buy a home, the government will back them with the same housing support that they would have used on their rent, to pay towards their mortgage instead.

Levelling Up Secretary Michael Gove MP said:

> Today we are extending the opportunity of homeownership to millions more hardworking people across the country.
>
> By extending Right to Buy and bringing forward the most comprehensive review of the mortgage market in decades, we are

> backing first-time buyers, breaking down barriers to homeownership and delivering on the people’s priorities.
>
> At the same time, we will continue to deliver much-needed new, good quality social homes by replacing each and every property sold.

The government will also change the rules to incentivise those who are claiming Universal Credit to save for a deposit. Currently, welfare rules taper the amount of Universal Credit received when the claimant’s savings exceed £6,000, and it stops entirely when savings exceed £16,000.

We will commit to exempting Lifetime ISA savings from these rules – meaning hard-working people can save a little each month specifically for a deposit without impacting their Universal Credit payments, until they have enough for a deposit for a first home.

Secretary of State for Work and Pensions Thérèse Coffey said:

> For too many people the aspiration to own their home has been taken away. By turning benefits to bricks, we are opening the door to home ownership for those on the lowest incomes.
>
> By removing barriers and allowing people on benefits to save into a Lifetime ISA, they will be incentivised to put aside a deposit to buy their home.
>
> And we are also giving people the choice to use their benefit towards their mortgage rather than on rent that pays a buy-to-let landlord.

To support existing homeowners, the government will also improve support for mortgage interest (SMI) – a loan which helps claimants pay interest on their mortgages and stay in their homes if they lose their jobs.

Currently, this only kicks in after nine months of unemployment so the government will bring this forward to three months, to incentivise people to find work again and bring government into line with what lenders offer in these circumstances.

The Levelling Up Secretary will push forward our commitment to deliver 1 million new homes by the end of this parliament. Working with local communities to build the right homes in the right places, more publicly owned brownfield land will be used and small sites unlocked, with priority given to key workers and first time buyers.

The Prime Minister has today also reaffirmed his commitment to end the scourge of unfair leasehold terms to give leaseholders better control over their homes and lives. The government will drive forward leasehold reform, including the ability for a leaseholder to buy their freehold – helping 4.6 million households genuinely own their own home. This will include discounts of up to 90% for those trapped with egregious, escalating ground rents.

Prime Minister’s Housing Speech: 9 June 2022

Good afternoon,

After seventy years of an astonishing reign I think there are many reasons why Queen Elizabeth will be remembered as one of our very greatest monarchs.

But there is one particular criterion that’s applied to all reigns throughout history.

What happened to the people, the condition of the people?

In the last 70 years the British people have begun to live lives that were unimaginable even to our grandparents, even our parents.

To travel the world, to communicate globally, to express ourselves – artistically, politically, culturally – as never before.

We are at the forefront of multiple waves of scientific and technical advance.

We live longer, healthier and more prosperous lives than any previous generation.

As we look back at that enormous span of history – our monarch’s lifetime – we see that this progress was sometimes uneven, and sometimes achieved against serious headwinds.

An existential war, when the very independence of our country was threatened.

The Suez crisis.

Industrial disputes that tore communities apart.

Riots.

Stagflation.

The persistent scourge of high unemployment.

Today we are living in the aftermath of the worst pandemic for a century, and once again we are steering into the wind.

We face global pressures on prices caused by the lingering effects of Covid and the shock of Putin’s aggression in Ukraine.

We will get through it, we will get through it just as we got through the far greater challenge of covid, and the colossal fall in output that entailed.

Our position is far better than during past economic difficulties.

People don’t face the misery of the 1980s or 1990s.

Of being told in their millions that they were surplus to requirements, that there was no job that they could do.

We now have unemployment at its lowest level since 1974, and youth unemployment at or near a record low.

It is an amazing fact that we now have more job vacancies than there are unemployed workers to fill them – and that in is itself feeding inflationary pressures.

I want to talk frankly about what we need to do together, so that we come through this period together, as fast and as strongly as possible.

And the first step is to understand the scale and the causes of the problem.

Everyone can see and feel the impact on household budgets.

The increases in the cost of food, the spooling digits on the petrol pumps, energy bills growing seemingly ever larger.

Much of this has been driven by problems in global supply chains that followed the pandemic.

The sudden surge in demand for gas from China, the world shortage of container ships.

Six months ago, there were good reasons to hope that the laws of supply and demand would start to operate, and that these problems would begin to abate.

The world responded for instance to the shortage of lorry drivers, for instance, by hiring more, paying them better, and giving them better conditions.

That progress was brutally interrupted on 24th of February, when Putin decided on his disastrous and unprovoked war in Ukraine.

World markets have responded with a significant spike in prices, partly driven by sanctions, partly by the elevated risk premium – the inevitable increase in what businesses have to charge to compensate for raised global levels of uncertainty.

The price of oil and gas looks likely to remain high for a while to come, and the same goes for grain and feed and fertiliser.

I know that there are some who argue – not in this country perhaps but elsewhere – that the price of supporting the Ukrainians is now too high.

And they should be encouraged to accept whatever terms Putin may ask.

I don’t believe that option is really open to us.

Never mind that abandoning the Ukrainians would be morally repugnant, since they are the victims, and they have an absolute right to defend a free and independent country.

We are simply not in a position to tell them what to do.

They have shown by their heroism that they will fight to defend their homeland, and they have shown that they will win.

Putin has made a colossal strategic error.

He has fundamentally misunderstood the psychology of his opponents, and what Ukraine really is.

He will never succeed in subduing Ukraine, and the sooner he comes to that understanding the better.

But nor should he be allowed the partial success of swallowing some of the country – as he has done before – and declaring a ceasefire.

He would be able to continue to twist the knife in the wound.

The crocodile would simply come back for more.

And he would be able to claim that his aggression and his violence had paid off.

That would be a disaster.

For Ukraine and all the other parts of the former Soviet Union that he might attack and perhaps even for countries – one thinks of Poland – beyond former Soviet boundaries, a disaster for them.

To encourage a bad peace in Ukraine is to encourage Putin and to encourage all those around the world who believe that aggression pays.

That would be a mistake that would open the door to further conflict, further instability, further global uncertainty and therefore further economic misery.

I say this because I do not believe there is a quick fix in Ukraine, and because we must continue to support the Ukrainians – as we have from the beginning – for as long as it takes.

But over time, I believe the economic consequences of the war in Ukraine will abate.

The Europeans and others who depend on Russian hydrocarbons – and we still get 15 per cent of our diesel from Russia, it was 30 per cent, it’s now 15 – will find other sources.

The whole tragic experience will greatly accelerate the rush to clean, low carbon energy of all kinds.

Over time, the inflationary effects will start to diminish.

We are dealing with labour market shortages not just by reaching for the old lever of uncontrolled mass immigration

but with a points based system that gives us the workforce we need.

We’re solving it by getting people off welfare and into work – 380,000 now under the Way to Work scheme

and above all by skilling up the British people – with the Lifetime skills guarantee and all the investments that this government is proud to make into colleges such as the one I am standing in today.

But we must deal with the here and now, we’ve got to recognise that there are pressures on household budgets that for some will prove simply unaffordable – especially when the energy price cap goes up in the autumn.

So this Government is on the side of the British public in coping with those pressures.

As the Chancellor has announced, we are directly helping the most vulnerable eight million households with cash payments worth £1,200.

Every household in the country will get £400 towards their energy costs.

Most will get a £150 council tax rebate.

Pensioners in receipt of winter fuel payments will get another £300 and disabled people will get another £150.

Taken together with funds already committed, that is £37 billion to help with the cost of living.

We have the fiscal firepower to help, and we will.

We will back Britain and we will back the British people for as long as it takes.

But there is only one reason why we can currently afford to make these enormous commitments.

And that is because we responded to the pandemic with a series of difficult but ultimately responsible decisions.

First we protected families and businesses with a package of support worth about £400 billion that was among the most generous in the world.

Then, having rolled out vaccines faster than any other European country, we were able to open up our economy faster –

and that is why we have had such a rapid rebound in employment and last year were the fastest growing G7 economy.

It is that fundamental strength – the tax base of a high wage, high skill, low unemployment economy – that enables us to look after the British people.

That is how we can afford to cover the costs.

We will continue to do what we can for as long as it takes.

That was the pledge I made to you during Covid.

We delivered, and we will deliver again.

At the same time we must face some realities.

The first is that no Government in the world can afford to use taxpayers' money to shield everyone completely from the increased costs caused by powerful global forces.

When we protected the population during Covid, the package of help was massively progressive, in the sense that it went overwhelmingly to the most vulnerable households.

We will do the same in the aftershocks of Covid.

We will get the right balance between spending what we can afford now and ensuring there's a healthy economy to look forward to when pressures abate.

And while some support will of course be universal, the bulk will be targeted at those who need it most.

I think that approach is right and is supported by the vast majority of people in this country.

The second reality is that when you face inflationary pressure, you can't just spend your way out of it.

On the contrary, you have to be careful not to add to inflationary pressure.

We are constrained in what we can do not just by the fiscal position – the risk of borrowing too much – but by the risk that we will fan the flames of further price increases.

Which brings us to the third reality.

That we cannot fix the increase in the cost of living just by increasing wages to match the surge in prices.

I think it is naturally a good thing for wages to go up naturally, as skills and productivity increase. That's what we want to see.

And yes, we have been increasing wages: with a record increase in the Living Wage, and the changes to Universal credit.

But when a country faces an inflationary problem, you can’t just pay more or spend more.

You have to find ways of tackling the underlying causes of inflation.

If wages continually chase the increase in prices, then we risk a wage-price spiral such as this country experienced in the 1970s – stagflation – that is inflation combined with stagnant economic growth.

When a wage-price spiral begins, there is only one cure.

And that is to slam the brakes on rising prices with higher interest rates.

That has an immediate impact on mortgages and rents.

It puts up the cost of borrowing for business.

It is bad for investment and growth.

It is bad for jobs.

It is bad for everyone.

And, of course, the increase in interest rates considerably increases the cost of borrowing for government.

We are already spending £83 billion this year alone in servicing our debts.

Every extra percentage point in interest payments is another £21 billion that has to go on paying lenders for our borrowing.

That is money that will have to be paid back by our children and grandchildren.

It is money that could go on schools and hospitals.

We have the tools we need to get on top of rising prices.

The global headwinds are strong.

But our engines – the great, supercharged, ultragreen marine propulsion units of the UK economy – are stronger, we will get through it.

And, while it’s not going to be quick or easy, you can be confident that things will get better, that we will emerge from this a strong country with a healthy economy.

That won’t happen if we continue to apply the same mindset that we had during covid: that the answer to every problem is more state spending.

We are already engaged in the biggest package of infrastructure investment for more than a century.

We are transforming our railways, our roads, we are investing massively in skills, in research and technology.

We are making communities safer – those 13,576 police of the 20,000 we promised are already helping to bring neighbourhood crime down by 31 per cent.

We are tackling the covid backlogs – hiring thousands more doctors and nurses to speed up treatments.

We are opening community diagnostic hubs across the country so that you get the scan or test you need, but faster.

We are fixing social care, so that we can end delayed discharges.

Far too many hospital beds are occupied by patients who could be better cared for elsewhere.

We're investing in education, huge sums in defence, in the agenda on which this Government was elected, to unite and level up across our country.

And we're keeping the promises that will make a difference to millions of lives over the next decade and long into the future.

But it costs money.

Prodigious sums.

The overall burden of taxation is now very high – and sooner or later, and I would much rather it was sooner than later, that burden must come down.

This burden is an aberration caused in no small part by the fiscal meteorite of Covid, and it must come down because the answer to the current economic predicament is not more tax and more spending.

The answer is economic growth.

You can't spend your way out of inflation, and you can't tax your way into growth.

So that is why the time has come for this Government to do what it has been straining at the leash to do for the last two years, but which has been difficult because of the covid crisis.

And that is to enact the supply side reforms that will cut costs for government, cut costs for business and cut costs for people across the country.

Let me take them in that order.

It cannot be right that the size of central government has increased by 23 per cent since 2015.

There are 91,000 more officials than there were.

I believe we have the best civil service in the world – but in view of the pressures on families, we must now find efficiencies and prune Whitehall back to the size it was only five or six years ago.

Something we can achieve without harming the public services they deliver.

And in expanding and encouraging the private sector, it is time for the government to stop spending, and to start cutting taxes and cutting regulation.

This has been an era of phenomenal corporate welfare.

From PPE contracts that were driven by the desperation of the pandemic, to billions of pounds invested – driven by the same desperation – in vaccines and anti-virals, to the whole array of businesses that were, quite rightly, supported and by furlough and Bounce Back Loans and all the rest of the programmes.

Of course this government will continue to invest in the bedrock on which businesses build their foundations: in infrastructure, skills and technology.

But sometimes the best way that Government can help is simply to get out of the way. To do less or better, or simply not at all.

If government has billions, the markets have trillions, and we need to see more of that investment by businesses here in the UK.

That is why we are now taking advantage of Brexit freedoms and accelerating reform of Solvency 2 – a one-size-fits-all EU diktat which has been unnecessarily preventing insurance and pension funds and others from making giant investments in UK firms and in infrastructure.

We have put in a superdeduction of 130 per cent on capital investment, giving UK firms an unparalleled opportunity to invest.

We are opening freeports around the country, with low tax arrangements and special planning regimes to enable growth and investment.

We can turbo-charge the City by rewriting and improving EU regulations such as MIFID 2.

Now we need to go further and we will, identifying all the ways in which government rules and regulations are pushing up costs for business, increasing prices for everyone in this country.

Over the next few weeks this Government will be setting out reforms to help people cut costs in every area of household expenditure, from food to energy to childcare to transport and housing.

And we will do this despite any complaints that there may from those who are want to preserve the status quo because this is a Government that is firmly on your side.

We are on the side of British farmers. We need to grow and eat more of our own food in this country and it is sensible to protect British agriculture from cut price or substandard food from overseas

But we are also on the side of British consumers

We do not grow many olives in this country that I’m aware of.

Why do we have a tariff of 93p per kilo on Turkish olive oil?

Why do we have a tariff on bananas? This is a truly amazing and versatile country, but as far as I know we don’t grow many bananas, not even in Blackpool.

We are on your side in tackling fuel bills, and not just with cash help that I’ve set out just now.

We have cut fuel duty already by a record amount – and we want to make sure businesses pass on savings to consumers whether at the pumps or in the supermarkets or anywhere else

and I know many businesses can see the wisdom of protecting their customers rather than simply taking profits now.

One of the ways of course to reduce energy costs is to increase supply.

That is why the British energy security strategy is going for a step change in the quantity of wind power we generate – 50 GW by 2030, returning the UK to the status of the number one offshore wind power producer in the world.

We are undoing the mistakes of many previous governments, and building a new nuclear reactor every year rather than one every ten years, along with many other reforms.

Over the next few years, this will have a dramatic effect on the UK’s power output – one that will be immensely beneficial for consumers and business alike.

We are on your side in cutting the cost of transport, not just with the fantastic investments we are making

It is time for us all to grasp the nettle of reform, and move – sensibly and responsibly – to the end of some outdated working practices.

There are fully manned ticket offices in this country that barely sell a ticket a week.

Ten years ago, as Chairman of Transport for London, I moved to take advantage of new technology by closing those ticket offices on the underground.

It was initially painful and the union chiefs predicted catastrophe, but we successfully made the argument that staff were better and more productively deployed on the platforms, interacting with the public.

The time has come to do the same thing across the transport network.

The union barons will once again protest.

But the winners will be railway staff – whose industry will be placed on a much sounder long-term footing – and the fare-paying travelling public.

We are on your side in cutting the costs of childcare, by making it easier to be a child-minder, and making sure parents make the most of their tax-free childcare allowances that already exist but aren’t taken up.

All these costs and more we will address in the coming weeks.

But today I want to talk about the single biggest chunk of household expenditure – and that is the cost of housing itself.

Just this year alone the price of a home in the UK has soared by an average of 9.8 per cent to an average of £278,000 – £24,000 higher than this time last year.

And in 2021, prices rose faster than wages – so that if you’re one of the millions on the outside of the market looking in, for every week and month that goes by, the dream of ownership recedes further into the distance.

The average age of first-time buyers has been rising continuously, the proportion of young people who can afford to buy their own home has been falling.

Between 2005 and 2016, the proportion of 25 to 34-year-olds who owned their own home fell by 20 per cent – whereas in almost every other country in Europe that proportion was actually rising.

It’s true that we still have higher rates of overall home ownership – just ahead of France, and ahead of Germany.

It’s true we’re building as fast as we can, and after a sustained decline in home ownership rates under the last Labour government, that rate is now starting to climb thanks in part to our decisive action to support first time buyers and build more homes.

Last year there were over 400,000 first time buyers of property, a 20-year high.

But the raw numbers disguise the fact that home ownership is overwhelmingly concentrated among the over-65s, those who were able to buy in an era when housing was much cheaper.

If you look at the Millennial generation, I can see some millennials here, just 31 per cent own their own homes in the UK.

In France that figure is 41 per cent.

Partly this is a function of supply.

When Labour last left office in 2010 they famously confessed that there was no money left

They also handed us record low levels of housebuilding.

We've been sorting that out ever since – thanks to planning reforms over the past decade, housebuilding rates hit a 20 year high just before covid struck.

Although not in the capital, I should add, where Londoners need their present mayor to get building at the speed and scale achieved by his immediate predecessor.

But despite the progress across much of the country we remain one the slowest and least prolific home-building countries among all the 28 members of the OECD.

Since 1970, France has built 16.7 million homes, whereas we have built just 8.9 million in the UK – and in that period our population has grown by more than 12 million people. It's not true that there is not space for these, there are places we can build.

So Michael Gove has been developing plans to work hand in hand with local communities across England to build more of the right homes in the right places.

We are going to put more publicly owned brownfield land to use and seek to unlock small sites that are ideal for the kind of unobtrusive development that communities welcome, with priority for first-time buyers and key workers.

We are supporting self-build and custom-build homes, as has long been proposed by my colleague Richard Bacon.

And we will sensitively make use of existing planning rights, for example by making it easier to turn disused agricultural buildings into homes for local

first-time buyers, and to support farmers in growing and diversifying their businesses.

But it is not enough just to build more homes.

We need also to recognise that while the people of this country overwhelmingly want the chance to own their own home, for too many the finance required is simply not available.

The challenge facing first-time buyers today is far greater than anything we have seen before.

20 years ago – in 2002 – a home cost average four and a half times your income.

Today that multiple has risen to nine times your income.

We have a ludicrous situation whereby plenty of younger people could afford to make monthly payments – they're earning enough to cover astronomical rent bills – but the ever-spiralling price of a house or flat has so inflated deposit requirements that saving even just 10 per cent is a wholly unrealistic proposition for them.

First-time buyers are trying to hit a continually moving target.

And of course the global rise in the cost of living is only making life harder for savers.

So we want it to be easier to get a mortgage.

Working with lenders so that they recognise the credit worthiness of tenants with a track record of paying their rent on time.

Making sure that the self-employed also get the mortgages they need.

This Government has made sure that there is a healthy supply of 95 per cent mortgages. Tens of thousands of first time buyers have since bought their home thanks to our mortgage guarantee scheme

But we'd like to go further.

So today I can announce a comprehensive review of the mortgage market.

Reporting back this Autumn it will look at how we can give our nation of aspiring homeowners better access to low-deposit mortgages, and what our own mortgage industry can learn from counterparts around the world who have all kind of alternative ways of offering finance, managing risk, and unbolting the door to ownership.

And just as no generation should be locked out of home ownership because of when they were born, so nobody should be barred from that same dream simply because of where they live now.

For four decades it has been possible for council home tenants to use a discount to buy the property they live in.

Over that time almost two million people have been helped into home ownership.

They have switched identities and psychology, from being dependent on the state for every repair – from damp-proofing to a new front door – to being in charge of their own family home, able to make improvements and add value as they please.

For various reasons the number of tenants who actually use this freedom has been steadily diminishing.

So now is the moment to widen the possibilities, and to give greater freedoms to those who yearn to buy.

I want us to deliver on the long-standing commitment, made by several governments, to extend the right to buy to housing associations.

There are still 1.6 million households living in council homes.

But there are now 2.5 million households whose homes belong to housing associations – and they are trapped.

They cannot buy, they don’t have the security of ownership, they cannot treat their home as their own or make the improvements they want.

And while some housing associations are excellent, others have been known to treat their tenants with a scandalous indifference.

So it’s time for change.

Over the coming months we will work with the sector to bring forward a new Right to Buy scheme.

It will work for tenants, giving millions more the chance to own their home.

It will work for taxpayers: responsibly capped at a level that is fully paid for; affordable within our existing spending plans, and with one-for-one replacement of each social housing property sold.

Even as we deliver this home ownership revolution, we will continue with our revolution in renters’ rights.

As the fifth anniversary of the Grenfell tragedy approaches, we need no reminders of the importance of landlords listening to and working with their tenants.

Which is why we’re giving tenants across the social and private sector better homes, greater security and access to the kind of justice we all deserve but which many are currently denied.

We’re also dealing with the scourge of unfair leasehold terms, often every bit as onerous as the conditions imposed upon tenants by landlords but applied to those who as homeowners should have far greater control over their homes and their lives.

In this Parliament we will supercharge leaseholders’ ability to buy their freehold, helping 4.6 million households genuinely to own their own home with discounts of up to 90 per cent for those trapped with agious, escalating ground rents.

We will finish the right to own reforms Margaret Thatcher began in the 1980s, ending the absurd position where first time buyers spend their life savings on flats, only to find themselves being charged hundreds of pounds for painting their own doors or unable even to own a pet dog.

That’s what being on your side is all about.

When ownership remains beyond the reach of a great many hard-working people, it’s neither right nor fair to put ever-vaster sums of taxpayer’s money straight into the pockets of landlords.

The total bill for Housing Support stands at about £30 billion each year, and the Office for Budget responsibility has warned that if we don’t take action, it could reach £50 billion by 2050.

That is cash, taxpayer’s cash that is being simply swallowed to pay the mortgages of private sector landlords or by housing associations.

It is time to put this huge wall of money, taxpayers’ money to better use.

It is time to turn benefits to bricks.

So we will look to change the rules on welfare so that the 1.5 million working people who are in receipt of housing benefits and want to buy their first home will be given a new choice:

to spend their benefit on rent as now, or put it towards a first-ever mortgage.

Doing so removes a significant barrier that currently prevents hundreds of thousands of families from buying their own home.

To remove another we’re going to explore discounting Lifetime and Help to Buy ISA savings from Universal Credit eligibility rules.

Not letting anyone claim benefits while sitting on vast savings pots that they could be drawing on. That’s not the people we’re targeting here.

But making it easier for hard-working people to put away a little each month until they have enough for a deposit on their first home.

To help keep people in a home if they’re unfortunate enough to become unemployed, we’re going to let people access support for paying their mortgage that much earlier that is presently the case.

And last of all we’re going to look at how we can securitise some of that colossal £30 billion housing benefits bill, so we can build more social homes with the potential for Right to Buy.

Taken together these measures will not only help us to build more homes in the right places, but will help millions more people realise what is currently an unattainable dream of home ownership, and that will be of massive benefit to them, social benefit to this country.

and of course it will be of economic benefit as well

we are on your side in cutting costs of childcare

on your side in cutting costs of fuel bills on your side in cutting transport costs

on your side on cutting costs of home ownership

on your side in cutting the tax bill as fast as we responsibly can

and when you cut these costs you drive productivity and growth

and in spite of all the price increases we face

we know that we will get through them as we've got through previous pressures and emerge stronger the other side

because that is our plan for a stronger economy

by tackling the cost of living in all the ways I have set out and more

by keeping our borrowing and debt under control – giving us the scope to cut taxes both on people, on families and of course on business

and backing businesses to grow and invest in this country in the way that they are, look at colossal sums coming in

We are easily the biggest destination for tech investment anywhere in Europe, as much as Germany France and Israel combined.

and by continuing to secure and drive the benefits of Brexit across the whole of the UK – from freeports to financial services

we will continue to make sure the people of this country achieve and continue to achieve the security and happiness of high wage high skill jobs in ever greater numbers

That's what we're achieving now and that is how we will continue to achieve, and it's that plan that will mean that we will be able to get on with the mission on which this Government was elected and unite and level up across the country

so that no matter where you are born or what your background

we will give you the chance to fulfil your potential

with a plan for a stronger economy that has all the makings of the strongest and most prosperous in Europe.

Bucking the trend: a fresh approach to

[social mobility]

It is a great privilege to be here, as Chair of the Social Mobility Commission with Alun Francis, my Deputy Chair, who is a principal of an FE college in Oldham.

We want to chart a new course for the Commission, as it reports on the state of social mobility in this country.

We are very aware that this is a difficult time to be taking over. We have had a pandemic, followed by a European war and a cost of living crisis.

There were already many challenges to deal with before. It will be even harder now. This makes it all the more important that we try to approach the challenge of improving social mobility with clarity, and that we make recommendations that are going to make a difference.

We want to bring a fresh approach and some new questions.

“What can we do for those young people and adults who have not followed the higher education pathway, but still need a route to high skills and good occupational opportunities?

“What more should be done about those at the very bottom – particularly those with low levels of basic literacy and numeracy – who cannot take advantage of higher learning and are unable to access higher paid work?

“What to do about the geographical aspects of this – both in terms of local neighbourhoods where, for a whole variety of reasons, educational and economic outcomes and opportunities appear to be poor, across generations;

We want to move away from the notion that social mobility should just be about the “long” upward mobility from the bottom into the top, i.e. the person who is born into a family in social housing and becomes an accountant, banker or big CEO.

There is nothing wrong with this view of social mobility, but it is not enough. We want to promote a broader view of social mobility, for a wider range of people, who want to improve their lives, sometimes in smaller steps.

So this means looking at how to improve opportunities for those at the bottom – not just by making elite pathways for a few – but by thinking about those who would otherwise be left behind – those who either did not want to, or could not “leave to achieve”.

This means thinking differently and collecting and using data differently,

It means being clearer about where mobility is working well – and being clearer about the various factors which help to make this happen.

It also means being clearer about obstacles which hold people back – and how they can be overcome.

Today, I would like to introduce you to some of the thinking that will inform this fresh approach.

We are going to move away from the popular narrative about social mobility – which we refer to as the “Dick Whittington model”.

In this model, the focus is on “big leap” upward mobility, from bottom to top in one generation – breaking from the circumstances you are born into to achieve (in various combinations) fame, fortune and occupational status.

For the folklore version of Dick Whittington there was a definite “levelling up” aspect to his mobility. He grew up in Lancashire but had to leave for London to make his dreams come true.

If he was born in Lancashire today, his route to an elite profession might still take him along this same geographical route – from the north to London. Instead of a picnic and a cat, he would now need to take with him some brilliant educational credentials – and then find his way through the door of an elite professional company – to make his way in life.

Much social mobility work has been dominated by trying to make this “Dick Whittington model” fairer.

Attention is then focussed on how to make sure opportunities are shared equally.

This is usually done by identifying the gaps in opportunity between the disadvantaged and everyone else. Where disparities or gaps can be found between these two groups, they are presented as evidence of inequalities of opportunity and it is recommended that policy should focus on closing the gaps – so that the opportunities in managerial and professional jobs for both groups are more equal.

Frequently – but not always – this approach is accompanied by the view that social mobility is in decline. This is usually inferred from data relating to inequality. If inequality is increasing – or simply not decreasing – the argument goes: then opportunity is not fair, so social mobility will be in decline.

You may be familiar with the metaphor of the ladder. The ladder represents opportunity for upward mobility – stepping from one rung to another. But if the rungs are further apart, because of growing inequality, where the richest person is further and further away from the poorest person, then the challenge of moving from one rung to another is harder.

This often leads to a fairly pessimistic and dismal set of conclusions about the capacity of people to overcome the circumstances into which they are born.

There is no consensus about what measures work well – and quite a lot of confusion about what we are actually measuring. Most of the time, policy debates appear to be talking about social mobility, but are using evidence which is about inequality.

Inequality is clearly an important theme in social mobility, and inequality does shape and affect opportunity. But inequality and social mobility are not the same thing, and we should be careful not to conflate them.

- We could reduce inequality, for example, without improving social mobility: we could just reduce the gap between the top and the bottom, without improving the movement in between.

- Similarly, we could improve social mobility without reducing inequality – by moving a higher percentage of people from the bottom to the top, but allowing the gap between the two to increase.

We need to collect the evidence and look at it carefully before we come to any conclusions.

If we don't, we can quickly end up in a very dismal place, with a slightly caricatured binary view of society divided into two groups:

- A group at the bottom which has very little chance of improving their situation, because it cannot overcome the inequality which separates it from everyone else – no matter what measures may be put in place to support their social mobility.

- Another group – which includes everyone not in the bottom group – whose achievements and accomplishments are not attributed to their efforts, but are a by-product of their relative levels of privilege.

Neither group has any agency. Everyone is quite literally a prisoner of the circumstances into which they were born.

Are things really this bad? Is it really so impossible for people to succeed despite their circumstances, no matter what interventions and support we provide?

What actually is going on?

Despite the popular narrative, it's not true that social mobility is getting worse on all counts. In reality the picture is complex. On some measures it is doing better than others, and on some – such as occupational mobility – it has been fairly stable for decades

There have been big changes in the economy, as the service industry has grown. In the latter part of the twentieth century, the occupational structure shifted considerably – creating more white-collar than blue-collar jobs. So more people were able to move "up" the occupational hierarchy compared to their parents.

But more recently, while we are still generating professional and managerial jobs, the rate has slowed. There are fewer people born into families who have routine and manual occupations, and more born into families with professional and managerial jobs. There is competition from those wishing to “move up” at the same time as more people being “at risk” of moving down. This is often referred to as the problem of “less room at the top”, which makes it look like social mobility is worsening when it might not be.

Of course, occupational mobility is only one aspect. There is less consensus about mobility in income and in other things like housing or wealth.

Given this evidence, we need to stop presenting social mobility in this way. For some people it feeds the view that the country is less open to talent than it has been in the past. There are clearly areas where we need to improve, but there are also areas where we are doing relatively well. As usual, the truth is more complex.

Those born nearer to the top have advantages over those born nearer to the bottom. But we need to be careful about moving from this general observation to the conclusion that nobody has agency, or that the gaps and disparities between the “disadvantaged” and everyone else are set in stone.

We need a more analytical approach if we want to understand what is going on.

Some of the evidence for this will be presented in The State of the Nation report for 2022, which the Commission team is currently working on. This is our annual report to parliament on the overall picture of social mobility.

A big concern in the Report is the need for clearer definitions and measurements of social mobility, and for the first time, we will be including the best scientific measures of actual social mobility outcomes, looking at the same person’s starting and ending point. We will also be revisiting the conditions that help or hinder social mobility and tracking outcomes in early adulthood.

The aim is to present a more nuanced picture, from which we can be more focused in our analysis and understanding of what works well and what does not.

What we can say at this point is that the picture is more encouraging than people have come to expect. There are some significant improvements and – very often – a narrowing of gaps between disadvantaged groups and everyone else.

This is important because structural issues do shape opportunities. But as I’ve said, we should be considering a wider range of explanations, not just inequality alone.

This is because human beings may be born into circumstances, not of their own choosing, but they also retain agency.

So it is important to pay attention to some of the issues that social mobility policy is not always comfortable talking about.

For example:

- Diversity of talent – This is often referred to in passing, but rarely analysed in detail. And when it is mentioned, the focus is nearly always on cognitive ability. This is hugely important, but other forms of talent and ability can be ignored – perhaps because society tends to mainly respect the type of cognitive ability that will secure a lucrative professional job. Instead, we believe that other talents and other jobs should be valued too.
- Families are frequently mentioned in terms of social mobility, but mainly as vehicles for passing on privilege. It is widely acknowledged by experts in the field, that in terms of shaping opportunity for children, families play a bigger role than any other institution. We are keen to spend more time talking about families, and parenting, and the central role these have in shaping outcomes.
- Culture and values on a broader level also need to feature more strongly. These are sometimes acknowledged, but are probably not given sufficient weight – in terms of their positive and negative implications for social mobility. I addressed issues of culture in the recent documentary about our school, Michaela. We should not underestimate the impact of culture and values

It is also important to think in a more nuanced way about the distribution of opportunity.

Part of the problem may be to do with definitions and data. We live in a world where we can get lots of data and that’s a good thing. But we also have to be thoughtful about how we use and interpret it.

Take for example, the way we think about occupational mobility. In the usual model that the Government uses for classifying occupations, there are eight categories. These are often collapsed into just three. But the number of categories we use does a lot to determine whether we think social mobility is high or low. The more categories we have, the more movement we will find. The fewer categories we have, the more we lose focus on the shorter mobilities between them.

When it comes to looking at inequality, things can be equally simplistic. Much of the research drops into a model which separates the disadvantaged on one side and everyone else on the other. The definitions of “disadvantage” may differ, depending on whether occupation, income, free school meals, or the index of multiple deprivation are used. Furthermore, they obscure differences between people in the same category, as well as people who move between categories and don’t rigidly fit into either. There is a huge amount of research into the dynamics of poverty – who moves in and out temporarily, who gets “stuck”, and what circumstances shape this. So we should not treat “the disadvantaged” as all being the same.

Similarly, there is a problem with the way “everyone else” is grouped together. Any model which places the state-educated children of one parent police officers, or primary school teachers or local government officers from Hartlepool into the same category as the elite public school educated children of rock stars from Notting Hill and the CEOs of the FTSE top 100 companies, and labels them all as “non-disadvantaged” – is probably not telling us as much as we need to know.

This however, is exactly what quite a lot of social mobility research does. It reduces social mobility to a contest between these two groups. This then stops us from thinking about social mobility for everyone.

It can end up improving the condition of a small number, without changing the opportunities for everyone else.

We need to recognise that social mobility has many forms, and one size does not fit all.

Consider this:

If a child of parents who were long-term unemployed, or who never worked, gets a job in their local area, isn’t that a success worth celebrating? Would we really want to say that it doesn’t count as mobility, simply because they’re not an accountant or lawyer?

I mean do we all want to be lawyers? I certainly don’t want to be a lawyer. I don’t suspect many of you do. I do hope we don’t have any lawyers in the room.

Surely not – yet much analysis of social mobility wouldn’t even notice that it had happened.

We need to know a lot more about what people think about social mobility. Research of this kind will challenge us all to think about the wider range of factors which influence ambition and aspiration.

We want to think about the opportunities we create for those who will not access the elite pathway – who this model often “leaves behind”.

We have, over the last generation, had too much focus on a one size fits all model for social mobility, which tends to consider higher education expansion as the key means of improving opportunity.

While many have benefited from this, and it’s good that some have, it is time to consider those who have not. And this brings me back to the questions I posed at the start:

- What to do for those young people and adults who have not followed the higher education pathway, but still need a route to high skills and good occupational opportunities?
- What more should be done about those at the very bottom – particularly those with low levels of basic literacy and numeracy?
- What to do about the geographical aspects of this – local opportunities and outcomes?

All of these issues and themes directly link to the challenge of “Levelling Up”.

In the Dick Whittington view, the best option is to promote a leave to achieve approach. But the unforeseen consequence of this is to make things worse for the people and places they are leaving behind.

Social mobility policy needs to mean something for those people and those places – and for us, the link between social mobility policy and Levelling Up Missions and Targets in the government’s White Paper is critical.

They are not identical, but the overlap is considerable. The whole point of levelling up should be to create more opportunity for more people in more places – and a refocussed social mobility policy can be a powerful tool for both directing these efforts, measuring them, and holding stakeholders to account for delivering them.

So, where then does this leave us?

We will be focussing on three interconnected themes:

- Education – which includes early years, schools and universities, but also other routes such as further education and apprenticeships – and as we have said, we will be keen to understand more about how we can help families and parents.
- Employment – a lot will focus on employers, but not just large professional firms. We will also look at the role of smaller enterprises in generating opportunity, and at how the value of qualifications – particularly degrees and technical qualifications – is shaped by wider issues in the labour market, including levels of regulation.
- Enterprise and the economy – and we are interested in the creation of opportunities, their geographical spread, and the role of enterprise in sometimes consolidating and sometimes disrupting traditional social mobility hierarchies. In the era of “levelling up” these themes need to have much more attention because they are central to ensuring better opportunities are available.

But we will also be prepared to look at these differently to try and capture the wider range of factors which help or hinder opportunity.

We want to look at a wider range of social mobility journeys, so that policy is not solely focussed on the success of a small number.

We want to develop a strong evidence base of what works, and an equally sharp focus on obstacles to opportunity.

In conclusion, we want to champion a fresh approach, which sees social mobility as the process of enabling everyone to find and apply their talents in ways that they enjoy and gives them purpose, and for our wider society and economy.

This does not mean we reject all of the work that has already been done – but it means going further.

It will require us to start thinking differently – about how we define social mobility, measure it and assess it – and about what really works if we want to make more opportunities for more people in more places.

It is going to be a big, but exciting challenge.