

# Revealed: Weak Tory govt leaves £3bn black hole in public finances over summer

Labour analysis demonstrates £3bn blackhole in Tory spending plans revealing the damage this government's weak and unstable leadership has done to the public finances.

The blackhole, which does not include unfunded commitments made in the un-costed Tory manifesto and could be set to rise, is made up of:

- **The Government being ordered by the Supreme Court last month to repay up to £32m in unlawful Employment tribunal fees introduced since 2013**
- **Philip Hammonds u-turn on proposed increases in the rates of Class 4 National Insurance Contributions on low and middle income self-employed workers in response to Labour opposition following the Spring Budget 2017**
- **The £1bn additional funding allocated to Northern Ireland as a result of the Conservative and DUP coalition agreement**

In light of reports the Chancellor is planning further spending cuts or tax rises to meet the blackhole that his shambolic stewardship has created, Labour have today called upon Philip Hammond to rule out further tax rises on low and middle income earners over the course of the next Parliament.

**Peter**

**Dowd, Labour's Shadow Chief Secretary to the treasury**, writing to the Chancellor of the Exchequer today said,

"Philip Hammond has created a £3bn black hole in the nations finances as a result of his and this Government's incompetence. Labour are calling for a guarantee that taxes will not be raised on low and middle income earners to pay for this Government's shambolic leadership."

**Text**

**of the letter:**

Dear  
Chancellor,

I have read with some concern news reports that you are looking at ways to increase taxation to cover the £1bn costs of your deal for Democratic

Unionist  
Party votes.

In addition to the £2bn costs of your reversal of planned rises in Class 4 National Insurance Contributions, and the £32m costs of the your government's Employment Tribunal fee cuts being declared illegal, a black hole of more than £3bn has been created in the public finances.

A new Budget is not due until Autumn, leaving taxpayers with significant uncertainty over your plans to close the enormous gap in the government's finances.

With household budgets already squeezed by falling real-terms pay, and worsening forecasts for the economy as a whole, I believe it is essential that you now provide some reassurance ahead of your Budget that ordinary families will not bear the brunt of your government's successive failures.

For the course of this Parliament:

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Can you now rule out rises in Value Added Tax?

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Can you now rule out rises in self-employed and employee National Insurance Contributions?

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Can you now rule out rises in the basic rate of Income Tax?

I look forward to your reply.

Peter  
Dowd

Shadow  
Chief Secretary to the Treasury

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## [DCMS should stand up to the Treasury and publicly assure us the FOBTs review has not been shelved – Tom Watson](#)

**Tom Watson MP, Labour's Shadow Secretary of State for Digital, Culture, Media and Sport**, commenting on reports that the Chancellor has scrapped the Fixed-odds betting terminals (FOBTs) review, said:

"This is an astonishing intervention by Philip Hammond.

"If the Treasury has insisted the review is shelved then the Chancellor has ridden roughshod over his Cabinet colleagues and overwhelming public evidence about the danger these highly addictive machines pose.

"British gamblers lost £1.8 billion on fixed-odds betting terminals last year alone, money that could make a better contribution to the economy if spent elsewhere.

"If Philip Hammond was so concerned about his bottom line, maybe he shouldn't have approved a £1 billion sweetheart deal with the DUP.

"The Department for Culture, Media and Sport should stand up to the Treasury and publicly assure us the review has not been shelved."

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## [It is a relief to know that a safe and appropriate place looks to have been found for Young Person X – Barbara Keeley](#)

**Barbara**

**Keeley MP, Labour's Shadow Mental Health Minister**, commenting on NHS England's announcement that an appropriate place has been found for Young Person X, said:

"It is a relief to know that a safe and appropriate place looks to have been found for Young Person X.

"This case must act as a wake-up call for the Government, who must now invest properly in Child and Adolescent Mental Health Services so that we never find ourselves in this position again."

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## [Labour calls for urgent action to deal with shortcomings in mental health provision following the judgment of Sir James Munby](#)

### **Barbara Keeley**

**MP, Labour's Shadow Minister for Mental Health**, has today written to Jeremy Hunt, following the judgment of Sir James Munby in the case of the young person referred to as X, calling on the Health Secretary to take personal action today to ensure the allocation of a supportive and safe placement for the young person X.

In the letter, Keeley urges Hunt to take heed of the 'scathing words in this judgment' and take immediate action to deal with the shortcomings in our Child and Adolescent Mental Health Services. To achieve this, Keeley calls on the Government to announce extra funding for those services and commit to ring-fencing funding both for CAMHS and mental health services more generally.

Ends

### **Notes to editors**

Full text of the letter

Dear  
Jeremy,

I am writing to you following the judgment of Sir James Munby in the Family Division of the High Court on 3rd August in the case of the young person referred to as X. The scathing words in this judgment stand as a warning of the need for urgent action to improve the care available for children and young people in a mental health crisis.

The judge said:

“What this case demonstrates .. is the disgraceful and utterly shaming lack of proper provision in this country of the clinical, residential and other support services so desperately needed by the increasing numbers of children and young people afflicted with the same kind of difficulties as X is burdened with..

“If this is the best we can do for X, and others in similar crisis, what right do we, what right do the system, our society and indeed the State itself, have to call ourselves civilised? The honest answer to this question should make us all feel ashamed...

“If, when in eleven days’ time she is released from ZX, we, the system, society, the State, are unable to provide X with the supportive and safe placement she so desperately needs, and if, in consequence, she is enabled to make another attempt on her life, then I can only say, with bleak emphasis: we will have blood on our hands.”

On Monday of this week you defended your Government’s performance on mental health services by saying “Look at our record”. The judgment in the case of X allows us to make that examination and it finds current services seriously wanting.

There have been many reports warning of the current weaknesses of Child and Adolescent Mental Health Services. In a report in May 2016, the Children’s Commissioner reported that: “of particular concern were some of the 3,000 children and young people we heard about who were referred to CAMHS with a life-threatening condition (such as suicide, self-harm, psychosis and anorexia nervosa), of whom: – 14% were not allocated any provision; – 51% went on a waiting list; – some waited over 112 days to receive services.”

In

October 2016, you said that CAMHS: “is possibly the biggest single area of weakness in NHS provision at the moment” and that there were “too many tragedies”.

Sir James

Munby has expressed his fears about the worst potential outcome in this case. We must also be aware of other similar and pressing cases.

I urge

you to take personal action today to ensure the allocation of a supportive and safe placement for the young person X. I further urge you to make plans to deal with the shortcomings so clearly identified in our CAMHS services and to announce both extra funding for those services and plans to ring-fence funding both for CAMHS and for mental health services more generally.

As Sir

James Munby has said, if the current state of Child and Adolescent Mental Health Services is the best we can do, what right does the State have to call itself civilised?

Given the

level of public interest in this case, I will be making this letter public.

Yours

sincerely,

Barbara

Keeley MP

Shadow

Cabinet Minister for Mental Health

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## **The Government is sending out mixed messages on who will be allowed to fish in UK waters post-Brexit – Lynch**

**Holly Lynch MP, Labour’s Shadow Minister for Environment, Food and Rural Affairs**, responding to Michael Gove’s comments on post-Brexit fishing access to UK waters, said:

“The Government is sending out mixed messages on who will be allowed to fish in UK waters post-Brexit.

"Michael Gove, after previously taking a tough line on exclusive rights for U.K. vessels, is already watering down those commitments.

"The Government must clarify its position urgently to prevent further damage to EU diplomatic relations that could potentially harm a deal for the British fishing industry."