



HOUSE OF COMMONS

Liaison Committee

Oral evidence: Work of the Prime Minister, HC 419

Tuesday 19 December 2023

Ordered by the House of Commons to be published on 19 December 2023.

[Watch the meeting](#)

Members present: Sir Bernard Jenkin (Chair); Karen Bradley; Steve Brine; Liam Byrne; Sir William Cash; Sarah Champion; Dame Caroline Dinenage; Sir Robert Goodwill; Dame Meg Hillier; Dame Diana Johnson; Alicia Kearns; Angus Brendan MacNeil; Caroline Nokes; Iain Stewart; and Sir Stephen Timms.

Questions 1 to 108

Witness

I: Rt Hon Rishi Sunak MP, Prime Minister.



Examination of witness

Witness: Rt Hon. Rishi Sunak MP, Prime Minister.

Chair: On the dot, we are starting this session of the Liaison Committee with the Prime Minister on the last day of the House of Commons term. Thank you very much for giving us your time, Prime Minister. We will do our utmost to keep to time, as I understand that you have urgent appointments immediately following. The number of Committee Chairs does mean that we are limited to five and a half minutes each, so if the questions are short, I can ask the Prime Minister to keep the answers short. It becomes rather difficult if the questions are very long.

We are going to start with the Chair of the Procedure Committee, Karen Bradley, on the subject of global issues.

Q1 **Karen Bradley:** Thank you. Welcome, Prime Minister; it is very good to see you.

You will obviously know that it is absolutely constitutionally appropriate for you to appoint whoever you wish to the Cabinet, and that they can be Members of the House of Commons or Members of the House of Lords. You will also understand that there is concern about how elected Members of the House of Commons can properly scrutinise a departmental Secretary of State based in the House of Lords.

We are talking about global issues here, and we are referring in particular to the Foreign Secretary. Prime Minister, how do you think it might be most appropriate for Members of the House of Commons to scrutinise the work of the Foreign, Commonwealth and Development Office and the Secretary of State?

The Prime Minister: Thank you. As you acknowledged, it is common practice for Governments from all parties to appoint a Secretary of State from the House of Lords. Indeed, that was the situation in 2008 and 2009 with Lord Mandelson and Lord Adonis serving as senior Cabinet Ministers from the Lords.

There is an established process for scrutiny, which has been in operation for a long time. I know the Foreign Secretary was due to appear before a House of Commons Select Committee yesterday, which was rescheduled as a result of his attendance at a funeral abroad. But I know he is keen to do that, as well as increasing the amount of time he spends in the House of Lords answering questions.

The last thing I would say is that the Foreign Office also has another Cabinet-level Minister, who is in the Commons and who can make statements and take questions.

Q2 **Karen Bradley:** I appreciate that, but I think there is real concern that one of the great offices of state, which is occupied now by a Member of the House of Lords, will not have the normal scrutiny that we would



HOUSE OF COMMONS

expect in the House of Commons.

I will give you an example. During the very early days of the pandemic, the then Foreign Secretary came to the House of Commons, made a statement and took hundreds of interventions—it was a very long statement—from many of us who had concerns about our constituents around the world and how we might get them home. It is only really the Secretary of State who can take that level of questioning and provide the level of responses required. Have you had any thoughts as to how we could introduce new procedures that may allow us to have similar scrutiny now?

The Prime Minister: In one sense, I will just echo what I said: this is not an unprecedented situation. We have had senior Labour peers who were in Cabinet from the House of Lords—two at once, in fact, for the last year and a half of the last Labour Government—so it is a long-standing practice and clearly Parliament thought that it had the right and appropriate mechanisms to scrutinise those Ministers at the time.

Obviously, if people have new suggestions, I am happy to consider them. Consideration would obviously need to be given to the practicalities and constitutional implications of that, and other Committees would no doubt need to be consulted. What I can say is that with regard to statements, there is another Foreign Office Cabinet-level Minister in the Commons who has made all the statements since the appointment and has taken questions.

In the survey that the Procedure Committee did, people expressed an interest in the Select Committees being the appropriate forum for that level of detailed scrutiny. Of course, the Foreign Secretary has agreed to appear before the House of Commons Select Committee as soon as schedules allow. He was meant to be there yesterday, but obviously travel intervened.

Karen Bradley: Thank you. My Committee is looking into this at the moment, and we have taken evidence. We will be reporting in the new year, and I hope the Government will be able to act on our recommendations. Thank you.

Q3 **Chair:** Thank you. Under time—excellent!

Prime Minister, in a single word, what would you say is the greatest strategic challenge facing the United Kingdom?

The Prime Minister: The increasingly complex and hostile international environment is something that, over the past year, has occupied more of my time than one might have anticipated. You can see that not just in the situation in Russia and Ukraine; we have talked in the past in this forum about the risk posed by China's activities, Iran and now, most recently, in the Middle East. In particular, the situation in the Red Sea is deeply concerning. As a maritime nation, we have always believed very strongly in free and open shipping lanes. That is now being threatened by malign actors.



HOUSE OF COMMONS

That is just further evidence that the international picture is both complex and more challenging. Previously, we may have taken many of these things for granted. It is clear that we cannot. We need to invest in our defence capability and strengthen our alliances to keep everyone at home safe and protect our economy, too.

Q4 **Chair:** Where is Russia-Ukraine in the ranking of the issues?

The Prime Minister: Very much uppermost in our minds. We have been very clear that for Ukraine to be defeated is existential for Euro-Atlantic security, which is why we have been at the forefront of the response to Russia's aggression.

Ukraine would rightly consider us one of its closest allies. We have stood shoulder to shoulder with it from the beginning of this crisis. We have also been ahead of all our allies in providing particular capabilities at times that they most needed it, whether that is tanks or, most recently, long-range weapons and combat air training.

That is all evidence of the UK being a step ahead of everyone and leading the global conversation. We will continue to do that because, as I said, it is existential for Euro-Atlantic security that Russia cannot succeed in its efforts.

Q5 **Chair:** What would be the consequence of Russia retaining illegally held territory for a long period?

The Prime Minister: As I said, it would be existential for Euro-Atlantic security. There is a range of different countries that are already seeing the impact of hostile Russian activity within and on their borders. It is important that a strong deterrent is sent to Russia that this type of aggression—this flagrant breach of the international rules-based system of territorial integrity—will not be tolerated. That is why we have taken a lead in providing support to Ukraine and galvanised international opinion behind it.

I would also say it is broader than Euro-Atlantic security, because, as I echoed earlier, the international rules-based system more generally is under pressure in lots of different areas. It is important that we send a strong signal not just to Russia, but to all those around the world who would seek to undermine that order, which we have spent decades building up, that their aggression will be met with a strong response.

Q6 **Chair:** We have been through the autumn statement. We know what we are spending on Ukraine in 2023-24, which I believe is £2.3 billion. Why was no announcement made about 2024-25? When will the announcement be made, and how much will it be?

The Prime Minister: It will be made in due course. We are having active dialogue with the Ukrainians. I spoke to President Zelensky just the other week on this. That is to ensure that the aid that we are putting in place can be most effective in supporting them with their ambitions for next year.



HOUSE OF COMMONS

They are obviously in the process of developing their plans for next year. We are helping them to do that, together with our closest allies. Before we say exactly how, what quantum, and what we are going to do to support them, it is important that we work with them to have a clear, coherent and unified view of what they are planning on achieving next year.

Those conversations are active. We have had people back and forth, and I spoke to President Zelensky the other week. We will continue to support them very strongly next year—I can, of course, give you that assurance—but the precise form, detail and quantum will be outlined in due course once we have finalised those conversations with the Ukrainians.

Chair: I call Sarah Champion.

Sarah Champion: Good afternoon, Prime Minister.

The Prime Minister: Hi, Sarah. If I may, Sir Bernard, just before we move on, the other thing is that it is not just about next year. This is an important point, because in February at the Munich security conference we called for longer-term multilateral security assurances for Ukraine. That is an important part of building that deterrence. Many countries have signed a similar declaration, and we are also having conversations with Ukraine about how to broaden the support that we give them, not just militarily but to bring them into the Euro-Atlantic family with other economic assistance. So I think it is broader than just the military support, and we need to start thinking about the longer term, not just about one year at a time, in terms of a journey and a direction of travel.

I think that was an important point to make. Sorry, Sarah.

Q7 **Sarah Champion:** I am interested: do you consider yourself a leader on the global stage?

The Prime Minister: Well, others will make that determination. I am very proud of the UK's leadership in multiple areas over the past 12 months, Ukraine being an obvious example. We were the leader in providing main battle tanks to Ukraine—the first country to do that.

Sarah Champion: I am interested in you: do you consider yourself—

The Prime Minister: Well, I stand here and these are things that I have done on behalf of the UK. At the end of the day, these are things that we do as a country, as a Government, but ultimately I am the one who takes the decisions.

We were the first country to provide main battle tanks, the first country to provide long-range weapons, the first country to provide training for combat air pilots—all of those have now been copied by other countries, and rightly so—and the first country to call for multilateral long-term security assurances. And that is just in the Ukraine space.

Sarah Champion: Well, that is just in the defence space. I want to talk to you about development and humanitarian—



The Prime Minister: I was just about to get on to that.

- Q8 **Sarah Champion:** Thank you. If I could ask my question, Yemen is in the news again. What has not been commented on yet is that since 2015, Yemen is the world's worst humanitarian crisis. Despite that, you made successive cuts to its aid as Chancellor, and this year you cut UK aid to Yemen to a third of what it was in 2019-20. As penholder at the UN Security Council, and as it is a country in such desperate need, do you now regret those cuts that you made?

The Prime Minister: No. So, when it comes to the aid budget—

Sarah Champion: I'm sorry: your first answer was no, you don't regret them?

The Prime Minister: I don't regret the cuts to the overall aid budget, the decision that I made as Chancellor that was actually approved by the House of Commons in a vote. Obviously, I appreciate that the Labour party opposed it. I guess the question for them—for everyone who opposed it, in fact—is, where would they have £5 billion from?

- Q9 **Sarah Champion:** But the question is not for the Labour party. The question, Prime Minister, with respect, is whether you regret cutting aid to one of the worst humanitarian crises on the planet.

The Prime Minister: What I think was the right thing for the UK, given the fiscal situation that we face in recovering from the pandemic, was that we reduced our aid budget from 0.7% to 0.5%.

Sarah Champion: And can you see a consequence—

The Prime Minister: I think that was the right thing to do. We remain—this is an important point; you asked about leadership—one of the largest aid spenders anywhere in the world. That is both as an absolute amount—we will spend around £12 billion this year—and as a percentage of GDP out of large economies. We are one of the largest contributors to individual funds, whether that is the Global Fund or indeed the green climate fund. So, across the board—

- Q10 **Sarah Champion:** Prime Minister, I think this is the answer you gave me six months ago.

The Prime Minister: And the facts remain the same. They haven't changed.

- Q11 **Sarah Champion:** But I am interested in your position on things. Do you see a correlation between what is happening in the Red Sea now and the fact that the UK—and indeed the international community—has turned its back on Yemen for a very long time?

The Prime Minister: No, I don't think that is right. When I have talked to my international peers about this situation, as we are actively doing, not a single one of them has made that point.

Sarah Champion: Okay—



HOUSE OF COMMONS

The Prime Minister: And we are actively involved right now—particularly with the US, but there is a much broader coalition—in standing up an operation to provide deterrence and protect our open seas. That is an incredibly important thing for the UK to be doing, given that it is something that we have always believed in. This is not about, actually, the situation in Israel—in Gaza. This is about malign forces, and the Houthis in particular, taking advantage of the situation to try to escalate—

Sarah Champion: Thank you. Can I just—

The Prime Minister: And that is having a real impact on the global economy, and we are playing our part as part of a broader international coalition.

Q12 **Sarah Champion:** Thank you, Prime Minister. Can I move you on to—

The Prime Minister: But I think it is important on this point—so, what we are doing—

Sarah Champion: You are not answering my point.

The Prime Minister: I am, because I think you're—

Sarah Champion: You are giving me a policy answer to something else. Could I turn to something—

The Prime Minister: No, but I think it is important, because it is not just aid that will help the situation; it is also military deterrence.

Q13 **Sarah Champion:** And leadership.

The Prime Minister: And again, we were the first country after the US to send assets into the region. So, HMS Lancaster, HMS Diamond—they are in the region ahead of any other countries.

Sarah Champion: Thank you, Prime Minister. Can I bring you back—

The Prime Minister: That is leadership. And that is because we are providing deterrence for commercial shipping and also making sure that humanitarian maritime corridors remain open.

Q14 **Sarah Champion:** Thank you, Prime Minister. Can I bring you back to something that I hope we agree on, which is global education, particularly education for girls? I am enormously proud, as I am sure you are, of the UK's investment in girls' education, including the UN-led Education Cannot Wait—but the education of hundreds of thousands of girls will have to wait because you cut funds to the scheme by 87%. Why did you make that decision?

The Prime Minister: On all these questions of aid, I appreciate that you and others will disagree, but I thought it was the right thing, given the fiscal and economic situation that the UK faced, that we temporarily reduced the aid budget from 0.7% to 0.5%. Obviously, that is going to have implications for lots of different projects.



HOUSE OF COMMONS

Q15 **Sarah Champion:** I accept that choice; it was the choices that you were then making on things like girls' education.

The Prime Minister: I think it's not fair to separate, because if you accept that choice but then do not agree with any of the subsequent choices that flow from that decision, it is hard to say that those things are consistent. I appreciate that you actually do not agree with the decision to reduce the aid budget. The Labour party does not agree. I think that that £5 billion is £5 billion that we need to spend on domestic priorities right now.

Chair: We have to move on.

The Prime Minister: I do think that is an important distinction. Now, if you disagree with that, that is completely fine.

Chair: We have to move on.

Sarah Champion: My final question—

Chair: No, I'm sorry, but we have run out of time. We have gone over already.

Q16 **Sarah Champion:** Unfortunately, that's the Prime Minister not answering my questions. My last one, Prime Minister, is on Gaza. We have all been appalled at the loss of civilian lives. I am optimistic that the UK is going to sign up to the watered-down motion from the UN. Is that correct?

The Prime Minister: It is our long-standing practice not to comment on our votes beforehand, especially when there is an active dialogue going on at the UN and when negotiations are under way as we speak.

Sarah Champion: The Minister did comment on it.

The Prime Minister: But our position on this—and I am sure we will come to it—has been crystal clear, about wanting this conflict not to last a moment longer than is necessary. We support Israel's right to defend itself, but that has to be done in accordance with international law. You asked about leadership earlier: again, we have taken a lead in providing more humanitarian aid into Gaza.

Sarah Champion: Thank you, Prime Minister.

Chair: I call Alicia Kearns, Foreign Affairs Committee.

Q17 **Alicia Kearns:** Can you update us on progress in getting British hostages home from the terrorist group Hamas, who currently hold them?

The Prime Minister: Hopefully, everyone will understand that there is a limit to what I can say publicly about this, but what I can say is that we are working day and night to secure their safe release. That involves lots of conversations with lots of different people. We are doing that. We have had discussions in the past, with different people's views on ceasefires and pauses; for us, those have to involve the release of hostages.



HOUSE OF COMMONS

It is clear that the last one of these that we had was broken, because Hamas stopped releasing hostages, including, specifically, women. I don't think that was right. When I last spoke to the Emir of Qatar, I commended them for their efforts and was in dialogue with them in particular about trying to restart that process to secure the safe release of all hostages, including, obviously, British hostages.

Q18 Alicia Kearns: Your Foreign Secretary and you have used the phrase "sustainable ceasefire". What are the conditions or criteria that need to be met for a sustainable ceasefire to come into place?

The Prime Minister: It is important for a ceasefire to be sustainable, and it is absolutely right to ask, "What are those conditions so that it does not collapse?" There isn't a perfect formula for peace, but what I can say is that a ceasefire is clearly not going to last if hostages are still being held—that was your first question—and if Hamas, whose stated aim is to destroy Israel, are still able to operate in underground tunnels and launch rocket attacks into Israel. Those are important facets that we need to grapple with.

Ahead of a permanent ceasefire, what we would like to see is immediate and sustained humanitarian pauses that allow for the release of more hostages and more aid to enter Gaza. In particular—to go back to the previous question about leadership—I think we were the first country to say to the Israelis that they had to open Kerem Shalom crossing so we could get more aid in. That is something that I spoke to Prime Minister Netanyahu about myself, and I am pleased that that is now happening—not in the quantities that we all want, but it is an improvement. Again, that is the UK showing leadership on this issue and making a real difference to people.

Q19 Alicia Kearns: I think we are all very grateful to see that additional aid route opened. When you last appeared before this Committee, I warned you that I feared we were facing "a Gaza crisis of 2023". I did not expect it to come in the form that it has. In response to my question, you called for Israel to "adhere to the principles of necessity and proportionality" and said that you urged Israel to show "restraint". Can you give me an example of where the UK has achieved restraint in the IDF's response to the horrific atrocities that took place on 7 October?

The Prime Minister: From the beginning of this, from my first visit to Israel, we have made repeated calls for Israel to adhere to international humanitarian law, to take every practical—

Q20 Alicia Kearns: Forgive me, but where have we achieved restraint or a change in their behaviour? The goal of raising it with them is to achieve an actual effect.

The Prime Minister: I am obviously not the one making operational decisions on the ground, but we have consistently urged Israel, where they can, to avoid harming innocent civilians. Far too many have died. That is about providing notice, safe areas and safe passage, during the early phases of the conflict, and also about making sure that aid reaches



HOUSE OF COMMONS

the people who need it. Early on we focused on getting Rafah opened, which happened. We also focused on making sure that fuel was able to come in, because that was necessary. Also, most recently, as I said, Kerem Shalom has happened. These are all proof points that the approach we are taking is yielding outcomes.

Alicia Kearns: On the humanitarian side it certainly is.

The Prime Minister: Those are all things that are making a real difference to people.

Q21 **Alicia Kearns:** Yes, but they are not preventing bombings. For example, Biden has said that there were indiscriminate bombings taking place. Do you agree?

The Prime Minister: I have been very clear: too many innocent civilians have died.

Alicia Kearns: So you therefore agree that the targeting is indiscriminate if too many civilians have died.

The Prime Minister: I am not privy to the precise targeting, but what I can say is that it is clear that too many innocent people have died in this conflict.

Q22 **Alicia Kearns:** But you will have received advice from Government lawyers and submissions. Have any of those submissions or the advice that you have received from lawyers or anyone in No. 10 suggested that international humanitarian law is being broken?

The Prime Minister: Again, the Government never comments on the legal advice it receives. I have been consistent throughout this, from day one. We cannot forget what happened. Hamas perpetrated an appalling terrorist act on Israel. Innocent people were slaughtered and Israel has every right to defend itself, ensure its security and make sure that nothing like that ever happens again to its citizens. We would do exactly the same.

Q23 **Alicia Kearns:** But there are also limits, under international law, to the right to self-defence.

The Prime Minister: Of course there are, and I have made that point from the beginning and we have consistently called on Israel to do that, and that is what we will always do. Alongside that—

Q24 **Alicia Kearns:** Forgive me, but when your current Foreign Secretary was Prime Minister, he was quite happy to state when he felt that international humanitarian law was being broken in Syria. Equally, James Cleverly as Foreign Secretary was happy to say that war crimes were taking place in Ukraine. Surely there is a precedent, if you believe that too many civilians are dying and that bombings have been indiscriminate, and therefore that the principles of necessity and proportionality are not being upheld.

The Prime Minister: You are putting words in my mouth. Others might have said that.



HOUSE OF COMMONS

Alicia Kearns: No, your exact words were “too many civilians are dying”. You just repeated it here as well.

The Prime Minister: Yes, too many civilians are dying—of course too many civilians are dying. That is different from saying that humanitarian law has been broken. Quite frankly, every civilian dying is a tragedy.

Q25 **Alicia Kearns:** Where does the responsibility sit for too many civilians dying?

The Prime Minister: Again, ask Hamas why they embed themselves in civilian populations.

Alicia Kearns: Forgive me, Prime Minister—

Chair: We must let him finish his answer.

The Prime Minister: I think that is genuinely an extraordinary question. Responsibility for civilians dying—there are two sides to this. Israel is trying to defend itself. If the terrorist organisation that is perpetrating these attacks is deliberately embedding itself inside civilian populations, they have to accept responsibility for that.

It is right that Israel should take every precaution to avoid harming civilians, but that will be very difficult if the precise organisation that has caused untold suffering to the Israeli people is hiding among civilians—knowingly doing so and knowingly putting them in harm’s way. It is important not to forget that that is what is going on here.

Chair: A very brief final question.

Q26 **Alicia Kearns:** Prime Minister, nobody has forgotten the crimes against humanity that took place in Israel. There is no moral equivalence between the two of them. However, in Northern Ireland the UK police had to show restraint and ensure that loss of life was not out of line and disproportionate with the military objectives. When fighting Daesh as well, Daesh had the exact same tactics as Hamas, yet we did not see this level of casualty. Will you therefore do more to achieve actual restraint in some of the actions taking place on the ground?

The Prime Minister: We have repeatedly called and will repeatedly call on Israel to show restraint, to operate within international humanitarian law, to take every possible precaution to avoid harming civilians and, crucially, to allow far more aid to get into Gaza to help people. That is what we are doing and it is showing that it is working. As I said, the opening of Kerem Shalom is meaningful. We are also exploring alternative maritime corridors that, given our assets in Cyprus, we have been clear we can play a leading role in.

We are working every which way to get more aid to the people who need it. We have already tripled our aid into the region and we continue to have dialogue with all our partners about the future of Gaza post this conflict. That involves my conversations with the Palestinian Authority and others to make sure that we can provide a future for the Palestinian people where



HOUSE OF COMMONS

they can live with dignity, prosperity and security. That is something we are completely committed to and will continue to work very hard to bring about.

Alicia Kearns: Thank you, Chair.

Chair: I call Dame Diana Johnson for the Home Affairs Select Committee.

Q27 **Dame Diana Johnson:** Good afternoon, Prime Minister. I want to ask you about three areas where you have made pledges or promises. I am going to ask short questions, so I would very much appreciate short answers. The first one is around the legacy backlog in the Home Office. You promised that that would be cleared by the end of this year—92,000 cases. Will you have achieved that?

The Prime Minister: We are not at the end of the year yet, so the final statistics have not been published, but we are making very good progress. I think the last published numbers show that the backlog is down by 80%, from 92,000 to 18,000. That has partly come about because we have doubled the number of caseworkers—

Q28 **Dame Diana Johnson:** Yes, we know that, Prime Minister. I just want to know whether you think you are going to meet the target that you have set yourself.

The Prime Minister: I said that those are the latest figures. We will continue to push for it. There will always be, obviously, as there always is, and you know this better than me—

Dame Diana Johnson: You don't sound very sure, Prime Minister.

The Prime Minister: We are doing absolutely everything we can. We set an ambitious target. When I was here before, you were sceptical that we would get anywhere close to it, but it is already down by 80%.

Q29 **Dame Diana Johnson:** By 80%, but you did say by the end of the year, and that is just a few days away. What about the other 91,000 that is sitting there in the other backlog? When do you think that will be cleared?

The Prime Minister: The overall asylum backlog, at the same time as the 92,000, was about 131,000. That is down by 16%. Obviously, that is impacted by incoming flows—

Q30 **Dame Diana Johnson:** When do you think it will be cleared, Prime Minister?

The Prime Minister: I don't have a—

Dame Diana Johnson: You don't have an idea when the 91,000 will be cleared.

The Prime Minister: We have not set a target for that publicly, but obviously the priority was clearing the initial legacy asylum backlog—

Dame Diana Johnson: But you are not sure you will do that.



HOUSE OF COMMONS

The Prime Minister: Well, those are your words not mine. We remain on track to do it, but we are not at the end of the year.

- Q31 **Dame Diana Johnson:** I am keen to move on to my second question, which is about the pledge you made to stop the boats. When will you have stopped the boats? What is the date for that?

The Prime Minister: The first thing to say is that we have made progress—that is, the numbers this year are down by a third, which is considerable progress.

Dame Diana Johnson: They are still the second highest on record, though, this year, aren't they?

The Prime Minister: They are, for the first ever time, down.

Dame Diana Johnson: They are still the second highest. But what is the date?

The Prime Minister: There is not a firm date on this, because I have always been clear from the beginning. I said—

- Q32 **Dame Diana Johnson:** You said you were going to stop the boats, so I just want to know what the date is.

The Prime Minister: And we will keep going until we do, but this is not one of those things where there is a precise date estimate on it.

Dame Diana Johnson: Okay. You don't have a date.

The Prime Minister: This is something where, before I took this job, they had only ever gone up and now they are down by a third. An important part of finishing the job is having a deterrent for everybody, and that is why—

- Q33 **Dame Diana Johnson:** Can I come on to that? Because that is the Rwanda policy. You have said you want to see planes to Rwanda take off by the spring; that is one of the things you have said. I understand that no airline is willing to actually contract with Government to remove people to Rwanda because of reputational damage. Is that correct? There is not an airline that you have lined up to remove people.

The Prime Minister: In terms of timing, I want to get flights off as soon as practically possible.

Dame Diana Johnson: You need some planes to do that.

The Prime Minister: We do, but we also need to be able to pass the legislation through Parliament first.

- Q34 **Dame Diana Johnson:** On the plane point, which I am asking you specifically about, do you have an airline that is ready to go?

The Prime Minister: I am confident that we will have the ability to send people to Rwanda, but there are many steps—



Dame Diana Johnson: But you don't have an airline.

The Prime Minister: Again, you would not expect me to comment on commercial conversations, which are necessarily private, but I am highly confident that we can operationalise the Bill in all its aspects. That is not just about flights; there are many different steps that you need. But the legislation needs to get through Parliament first and, as soon as it passes, we will then work to operationalise the Bill.

Q35 **Dame Diana Johnson:** We are not clear that there are any airlines. On the migration and economic development plan, which you signed up to when you were Chancellor, I think, with the then Home Secretary, we know that £290 million has been spent or is about to be spent in the next few months. Could you tell the Liaison Committee how much the total amount you have signed up to for that five-year plan is? What is the amount that we have to pay in addition to the £290 million?

The Prime Minister: I think you know full well, because the Home Secretary has said this in Parliament multiple times before, that we disclose these things on an annual basis. Beyond that, we have disclosed the most recent numbers.

Q36 **Dame Diana Johnson:** Do you think it fits with your claim around professionalism, integrity and accountability that we cannot actually know how much you have agreed will be sent to Rwanda?

The Prime Minister: As I said, it is absolutely right for what are commercially sensitive negotiations that there is a degree of ability for the Government to negotiate these things and then provide the appropriate level of transparency to Parliament, which it is doing on an annual basis.

Q37 **Dame Diana Johnson:** At the weekend, the Deputy Prime Minister said that the funding for Rwanda was unlimited. Is that correct?

The Prime Minister: I think he was saying that the scheme is uncapped.

Dame Diana Johnson: No, he said "unlimited funding" when he was pressed on, I think, Times Radio.

The Prime Minister: I am not sure. I didn't hear that and am not sure that I recognise that, but the scheme in itself is uncapped, so we have the ability to send multiple people there. Obviously, there will be a degree of volume payments as well as fixed costs, which is public knowledge.

Q38 **Dame Diana Johnson:** And is that the £169,000 per person that it will cost to send someone to Rwanda, as the Home Office impact assessment put forward?

The Prime Minister: I don't think that is an accurate characterisation of it, because we don't know the deterrent effect. Until the scheme has been operated, we won't know the final deterrent effect. Our belief is that there will be a significant deterrent effect, and the cost of the scheme has to be compared against the counterfactual, where the costs are forecast to rise into the double digit billions of pounds for the asylum system if the



HOUSE OF COMMONS

numbers continue to rise. This has to be compared with that counterfactual—

Dame Diana Johnson: On that point—

Chair: Last question.

Q39 **Dame Diana Johnson:** Does it worry you at all that the permanent secretary at the Home Office is still not willing to sign the Rwanda policy off because of the lack of value for money?

The Prime Minister: That is absolutely not what they said. They said it was entirely proper to pursue this scheme.

Dame Diana Johnson: There was a ministerial direction, Prime Minister.

The Prime Minister: Yes, and if you read the letter—I can find you the quote—they were very clear.

Dame Diana Johnson: There is no evidence.

The Prime Minister: It is perfectly proper for the Government to continue with the scheme.

Dame Diana Johnson: But no evidence.

The Prime Minister: Because we are trying something that has never been done before.

Dame Diana Johnson: I understand that, Prime Minister, but there is no evidence for deterrence.

The Prime Minister: The words they used were “It is regular, proper and feasible” for the Home Secretary to proceed with this policy in the light of the illegal migration challenges that the UK is facing. It is a matter of record that a direction was required because we are doing something that has not been tried before.

Q40 **Dame Diana Johnson:** Because there is no evidence that it will work. That is the point.

The Prime Minister: By definition, when you are doing something that hasn’t—actually, no, I challenge that. We do have evidence that deterrence works: our Albanian partnership is evidence.

Dame Diana Johnson: That is very different, Prime Minister.

The Prime Minister: Not really. It is a returns agreement with a country that allows us to return the vast majority of people who arrive illegally.

Q41 **Dame Diana Johnson:** You have returned 5% of Albanians who have arrived in small boats since 2020.

Chair: We have to move on.



HOUSE OF COMMONS

The Prime Minister: No, I will just finish. You said there is no evidence: we have a returns agreement with Albania that has returned 5,000 people from this country. The numbers from Albania—

Dame Diana Johnson: Not small boats.

Chair: Thank you, Dame Diana.

The Prime Minister: All returns serve to build deterrence. The number of arrivals from Albania is down by 90%. A new returns agreement, record returns and arrivals down by 90%—that is a pretty good indication that deterrence and returns work.

Dame Diana Johnson: Not from small boats, Prime Minister.

Chair: I call Dame Meg Hillier.

Q42 **Dame Meg Hillier:** Returns are different from deterrents, because that is an agreement, Prime Minister. The last Labour Government was returning one person every eight minutes at the end of the Parliament. How many people is this Government returning?

The Prime Minister: Last year, this Government returned just over 20,000 people in various different ways.

Q43 **Dame Meg Hillier:** So a little less than one every eight minutes. We can do the maths on that.

You talked about disclosing the cost of the Rwanda project, Prime Minister. You have repeated the line that it must be disclosed on an annual basis. It is perfectly normal and within the normal accounting rules, in terms of reporting to the Public Accounts Committee and the departmental Committees—in this case, the Home Affairs Select Committee—to report on projects on a different basis, especially with something that is a flagship policy of yours, Prime Minister.

Producing information in the annual accounts, which is 15 months after the last £100 million payment was made to Rwanda, is not acceptable. What is the problem with just being open and honest about something you signed off as Chancellor, that you are now championing as Prime Minister and that is a five-year programme? What is the secrecy?

The Prime Minister: Because, as we have been very clear, it may well be that we want to have other conversations with other countries.

Q44 **Dame Meg Hillier:** Okay. Which other countries are you thinking of having a conversation with?

The Prime Minister: Again, it would not be right to talk about these things if we are having private conversations with countries about potential alternatives to add to our Rwanda policy. We have always been clear that that is something that the Government would like to explore.

Q45 **Dame Meg Hillier:** Prime Minister, I have been on the Public Accounts Committee for 12 years now. I am aware that lots of things are talked



HOUSE OF COMMONS

about as being commercially confidential and then, when we ask to see the papers, they are not at all. I cannot see, and nor can other members of my Committee, what is commercially confidential about this that will not be commercially confidential when the accounts are produced.

There is not an arbitrary timeline when something stops being commercially confidential. There is no reason to have a 15-month delay after payments have been made. The only reason this money was revealed was that somebody in Rwanda, possibly inadvertently—we don't know; an inquiry is going on—released it to the International Monetary Fund, which itself is instructive, is it not?

The Prime Minister: I think we probably just have a different point of view on this.

Q46 **Dame Meg Hillier:** No, Prime Minister, can I be clear? I chair the Public Accounts Committee, a constitutional Committee of over 160 years' standing, cross-party, with five parties on it. I am not playing a party political point; this is a public accounting point. You have been a renowned Chancellor of the Exchequer who took us through covid. I think you understand those rules very clearly.

Can we just be really clear: why are you not sharing with Parliament and the public the money being spent on the Rwanda scheme? It is a five-year project and you signed it off as Chancellor. You must have been content then, despite now having to pass legislation to operationalise it. Why did you not think about asking those questions then? You must have been asking those questions. Why can't you share the money with us?

The Prime Minister: Again, there is a balance to be struck. There is annual transparency of these numbers to Parliament, and I think that strikes the right balance. I appreciate—

Q47 **Dame Meg Hillier:** Sorry, Prime Minister, it is not the normal transparency that is provided on other big projects. On High Speed 2, for example—I could give you many other examples—we were receiving six-monthly reports laid to Parliament. That is the normal approach, and it is normal to negotiate this with the Public Accounts Committee on a routine basis. We do that regularly with other Departments. This is a flagship policy of yours, so what is there to hide? There should be nothing to hide.

The Prime Minister: The scale of HS2 compared with this is obviously by order of magnitude very different. Phase 1 of HS2—

Dame Meg Hillier: Oh, so it is about the scale of the project.

The Prime Minister: Again, on all these things there is an appropriate balance. HS2 was the single biggest project that the Government was undertaking. The cost for phase 1, as you will be aware, is well north of £40 billion. That is very, very different—

Dame Meg Hillier: Okay, I will just make a final observation. The HS2 six-monthly reporting was because the accounting officer agreed with the Public Accounts Committee on a method and a frequency of reporting.



HOUSE OF COMMONS

That is a normal thing that we often negotiate with Departments. I hope you can give some succour to the Home Office that if they do similarly, they will have your full backing.

- Q48 **Chair:** Maybe there will be some correspondence about this matter. It is interesting that you have suggested that the Government is in conversation with other third countries.

The Prime Minister: I didn't say that it was. I said that if it was, that would clearly be a reason why it would want to make sure that it had the ability to conduct those conversations in private.

Chair: I call Sir Bill Cash, for the European Scrutiny Committee.

- Q49 **Sir William Cash:** On that very question, Prime Minister, in Rome you rightly drew attention to the need to renegotiate what I would call the global Gordian knot of out-of-date EU, ECHR and international immigration laws, including EU retained law, which my European Scrutiny Committee is reporting on at this moment.

From the position last month, I am well aware from when I was in Madrid with the other European scrutiny committee chairmen that they are tearing their hair out because, as I mentioned on Second Reading, they are having EU refugee quotas and compulsory fines imposed on them by majority vote. Of course, we are not in that position because we are out of the EU and because of Brexit.

Do you agree that if we have a long enough timetable—if you know what I mean—so that we are able to engage in proper discussion before the Committee stage of the Rwanda Bill to ensure it is in line with what our own parliamentary sovereignty provides, our own laws, our own law making via our own voters, and our own courts applying explicit laws, particularly in respect of out-of-date international obligations, we would have a massive Brexit dividend because we could then lead internationally, and at the same time we would have a Bill that fully works? There is an enormous opportunity for us to get it right. If we get it right, we will satisfy the national interest.

Chair: That was a two-minute question, so you may have a two-minute answer.

The Prime Minister: Sir Bill, I think we share the same objective, which is to ensure we have proper control of our borders. Illegal migration is wrong and is not fair, and that is why I have made it a priority to stop it. An important part of that is our new legislation, which will give us the powers we need to make sure the Rwanda scheme can be up and running as quickly as practically possible.

We remain committed to the legislation, and I am always happy to have dialogue with colleagues about how to make sure it can be as effective as possible, given the environment we are operating under. Thank you for your input into that.



HOUSE OF COMMONS

More broadly, you also alighted on the fact that we are not having this conversation in isolation. Certainly, my conversations with other leaders have demonstrated that they also have a frustration with the situation they are all dealing with in their countries. This issue of illegal migration is only growing as a number and a challenge. Everyone is looking at creative ways to address it.

As you know, Italy has embarked on a partnership with Albania, and that is just a sign of things to come. That is why I am going to keep talking to other leaders, particularly in Europe, about how we can work together to make sure that all the frameworks we are operating under are fit for today's age and allow us to stop this awful trade that criminal gangs are plying, and where innocent people losing their lives.

Q50 Sir William Cash: Thank you very much. Could I finally ask one last question? Can you ensure that we have a proper timetable so that the dialogue that is going on can be made really effective?

The Prime Minister: Sorry, can you say that again, Sir Bill?

Q51 Sir William Cash: Can we have a long-enough timetable before Committee stage to make quite sure that we have a real discussion to ensure that we make the Bill fully effective?

The Prime Minister: I am always happy to engage with colleagues, as I said. I think some of that engagement is happening—

Q52 Sir William Cash: You are not quite answering my question, and I need enough time.

The Prime Minister: That engagement and dialogue has already started. It is happening today, and before, and will continue to do so intensively up to Committee stage.

Chair: Perhaps there can be agreement about the start of Committee stage, but I will look at the correspondence when you write, Bill.

We are now ready to move on to the next block of questions, about the economy, the cost of living and promoting investment. We start with the Chair of the Energy Security and Net Zero Committee, Angus MacNeil.

Q53 Angus Brendan MacNeil: Just before we go on to that, Prime Minister, it is the view, and I am sure that you have heard it, of many across the world—of millions, if not billions—that Israel is committing a genocide in Gaza. I do not want to get into that debate here, but I want to mention the ceasefire.

On 15 November when we voted in the House of Commons—and you did not vote for the ceasefire—there were 11,200 people dead in Gaza. A month later, there are now 19,000 dead in Gaza. It is 16 times the number killed on 7 October in the terrorist outrage. It is five and a half times the number killed in Northern Ireland in 30 years. Isn't it time that you put your voice behind the hundreds of countries in the world that are shouting for a ceasefire?



HOUSE OF COMMONS

The Prime Minister: I think I addressed this in a question just last week in Parliament, where I said that we have been consistent in calling for sustained humanitarian pauses or, indeed, a sustainable ceasefire, but that has to be one that, as we have talked about before, has the conditions for it to be genuinely sustainable. That means that hostages have to be released and Hamas needs to not be firing rockets into Israel; its stated aim is to destroy Israel. Those are conditions of what a sustainable ceasefire is, and we are having that conversation with other colleagues around the world.

As I have said very clearly, no one wants this conflict to go on for a moment longer than is necessary, but it is important that that ceasefire is sustainable, and those are some of the underlying conditions that are necessary for it to be so.

Q54 **Angus Brendan MacNeil:** Viewers will see you as an outlier, probably, on the world stage there.

Turning to COP28, that was one speech and some hours in Dubai, not as many as other leaders. I know that you have defended that, but with that combined with your reversals on cars, domestic boilers and changing the carbon budget, are you serious about global warming or do you think it is just political positioning prior to the next election?

The Prime Minister: Yes, I am serious about tackling it, and I am very proud of the UK's record. We have decarbonised faster than any other major economy since the baseline in 1990 by about 50%. You can compare that with Germany at 40-odd per cent and France at 20-odd per cent, and the US has not dropped at all. Going forward, if you look at our NDC—our nationally determined contribution—for 2035—

Q55 **Angus Brendan MacNeil:** I do not need you to go any further forward. We are short on time.

The Prime Minister: You have asked a question and I'm quite serious about it—

Angus Brendan MacNeil: A brief question.

The Prime Minister: That seriousness is demonstrated in our commitments, which again are 68% to 2035. That is more ambitious than the EU at 55%, more ambitious than Australia at 45% and more ambitious than the US at 40%.

Q56 **Angus Brendan MacNeil:** Reading out statistics is fine, Prime Minister, but I want to move on to energy prices, which will have an effect on my constituents in Na h-Eileanan an Iar and on everybody else's constituents. It is not much of a market here when companies are being protected by the regulator, to put up domestic prices, because they say that it is unpaid bills, but they are making huge profits.

British Gas has reported profits of £969 million for the first six months of 2023, 900% up from the same period in 2022. The French state-owned EDF is making an absolute fortune in the UK, with profits of about £2



HOUSE OF COMMONS

billion. Scottish Power has seen its profits up as well, and E.ON too. Aren't you just giving blank cheques to power companies through the structure of the energy market?

The Prime Minister: It is interesting: the first question is about saying, "You're walking back"—which we are not—"from targets on various things," such as boilers and cars, and the next question is about the impact on consumer bills. What we have done is—

Q57 **Angus Brendan MacNeil:** The impact on consumer bills is due to allowing the regulator to raise the price for profitable companies. Enhancing profits, Prime Minister—that's what that is, so don't conflate the two.

The Prime Minister: I am getting on to that, but I do think the impact on household finance is important, which is why my approach to net zero—and I get that you disagree with this—

Angus Brendan MacNeil: You might have noticed.

The Prime Minister—is one that is pragmatic, which— Well, because I care about the impact on family finances. So where there are opportunities—

Q58 **Angus Brendan MacNeil:** So, if you do, are you going to stop this rise in bills coming through Ofgem? I am just taking you at your word. Is this price cap going to rise?

The Prime Minister: Where there are opportunities to save families £5,000, £10,000 or £15,000 by adopting a more pragmatic approach to net zero, keeping us internationally leading—

Angus Brendan MacNeil: At the moment I'm asking you about the price cap rise. Don't conflate.

The Prime Minister—but doing that in a proportionate way, I think that's the right thing to do to ease the cost of living pressures on families. Alongside that, I implemented a windfall tax on energy companies—that is 75%—and we have used the money from that tax, which is one of the highest on energy companies in the world—

Angus Brendan MacNeil: Are you aware that the profits are going up?

The Prime Minister—to help pay around half of a typical family's energy bill over the past year. That is what we have done: a 75% windfall tax on energy companies, used that money to help pay for around half of a typical family's energy bill, and adopted a more pragmatic approach to net zero—

Angus Brendan MacNeil: On the typical family—

The Prime Minister—which is saving families thousands of pounds, because I think that is important.

Q59 **Angus Brendan MacNeil:** On workers in the UK, according to the



HOUSE OF COMMONS

Resolution Foundation, British workers are missing out on about £10,700 a year, following decade of weak economic growth, of which you were in Government for a large part and Chancellor of the Exchequer for a good part.

The living standards gap is about £8,300 between typical households in Britain and their peers in Australia, Canada, France, Germany and the Netherlands. Combined with that, poorer households are about £4,300 worse off than their French and German counterparts. That is a pretty damning indictment of where you have taken the economy, both as Prime Minister and Chancellor—generally your time in office—isn't it, Prime Minister?

The Prime Minister: What you failed to mention in your set-up was the fact that we have experienced—

Q60 **Angus Brendan MacNeil:** Can you address the points I did mention? I do not want you to go off on another tangent.

The Prime Minister: I am just answering your question—

Angus Brendan MacNeil: Good.

The Prime Minister—which I think I am allowed to do. If you are going to talk about the economy and the impact on living standards without mentioning the fact that we had a once-in-a-century pandemic, which caused the biggest recession we have had in many years—

Q61 **Angus Brendan MacNeil:** So did Germany, France, the Netherlands, Australia, Canada and other countries.

The Prime Minister—and, on top of that, a massive shock to energy bills because of the war in Ukraine—

Angus Brendan MacNeil: So do the other countries.

The Prime Minister: And indeed, Germany's economy is in recession this year. Ours is not.

Q62 **Angus Brendan MacNeil:** Why are their wages on average, then, £10,700 a year better than the UK's, given all you have said, and all this world stuff? The UK is apparently unique in this, and yet they have all suffered these things you have mentioned.

The Prime Minister: All of Europe has suffered a negative impact on their living standards—we're not alone in that—because all of Europe have seen their energy bills rise. In all your stats, what you have to accept is, if energy bills are going up across Europe, that is having an impact on everyone's bills across Europe. We're not alone in that—

Angus Brendan MacNeil: Final point, Prime Minister.

The Prime Minister—but what we have done is provide an enormous amount of support for people to help them get through it. And, actually, again, on your international comparisons, we have had the fastest recovery from the pandemic out of any major European nation, because of



HOUSE OF COMMONS

my track record and because of what the Government did during the pandemic.

- Q63 **Angus Brendan MacNeil:** Final point, Prime Minister. Currently the Republic of Ireland is in a surplus of about £10 billion. The Scottish Government are having a £1.5 billion shortfall. What are the broad shoulders of the UK? Isn't independence doing better for Ireland than being in the UK is doing for Scotland?

The Prime Minister: Well, the Scottish Government has received record funding from the UK, but both the block grant—

Angus Brendan MacNeil: Not as much as the Irish Government, quite clearly, who are independent.

The Prime Minister: Again, if I could just answer the question—both the block grant and the most recent autumn statement mean that the Scottish Government is receiving a record amount of money from the UK Government. On top of that, the UK Government—

Angus Brendan MacNeil: Why are they not as well off as the Irish?

Chair: Let him answer the question.

The Prime Minister—is investing directly in Scottish communities through the levelling-up fund and other such areas, and the UK Government is now cutting taxes for Scottish families, kicking in in January. Obviously, if the Scottish Government has made different choices, that is for them, but we are very clear that we want to cut taxes for Scottish families, because that is how we can help them with the cost of living, and we are able to do that because we are managing the economy well.

Chair: Liam Byrne for the Business and Trade Committee.

- Q64 **Liam Byrne:** Afternoon, Prime Minister. I just want to follow up on some of those questions. This Christmas we will see sales of luxury cars, private jets and super yachts reach an all-time high, and yet food banks in my constituency are running out of food, homelessness is at record levels and last year 4 million people experienced destitution. Tell us: do you ever lie awake at night, worrying about the level of economic inequality in our country?

The Prime Minister: No, I want to make sure that we can reduce economic inequality and spread opportunity and I am pleased that we are making progress on that. Here are the facts: income inequality is lower today than it was in 2010, the number of people living in absolute poverty is lower—1.7 million fewer people—and the number of people in low-paid work is the lowest on record. So, we are—

- Q65 **Liam Byrne:** But you also know that wealth inequality is up and that there are now 300,000 more children living in poverty. If you take a step back, the top 1% in our country have multiplied their wealth by 31 times more than the wealth of everybody else. That doesn't sound like an



HOUSE OF COMMONS

economy that is working for everybody.

The Prime Minister: Again, as I just said, there are 1.7 million fewer people living in absolute poverty today than there were in 2010. That includes hundreds of thousands of children. When it comes to the progressivity of our tax system, again, it is more progressive today than it was in 2010. From memory, the top 5% of taxpayers pay around half of all income tax. The tax system has become more progressive, so the most wealthy are bearing a bigger burden. We are reducing inequality and poverty because of the actions of this Government.

Q66 **Liam Byrne:** So why do we have the worst inequality of any major European economy?

The Prime Minister: I do not have the international comparisons, but I can tell you that we have reduced income inequality from the level we inherited from the last Labour Government. That is a record I am proud of. Those are the facts.

Q67 **Liam Byrne:** But wealth inequality has gone up, and there are 300,000 more children living in poverty, after housing costs, than there were a few years ago.

The Prime Minister: We just have different numbers. On my numbers, there are 1.7 million fewer people living in absolute poverty.

Q68 **Liam Byrne:** I've got the ONS numbers.

The Prime Minister: As do I. That also includes hundreds of thousands fewer children living in poverty. Of course, no one wants any child to grow up in poverty. The best way to ensure that does not happen is to ensure that the child is growing up in a home where their parents are working.

A child growing up in a workless household is five times more likely to be living in poverty than one who is not. That is why all our reforms to welfare and to support people into work, and our improvements to the national living wage, all do an enormous amount to continue making sure that more children are lifted out of poverty.

There is also our recent investment in the local housing allowance, of course, which is considerable support for those families with housing costs. It will mean around £800 for those most vulnerable families, who are benefiting from the uplift that the Chancellor recently announced.

Q69 **Liam Byrne:** When we ask the public about the best way to tackle inequality, the answer at the top of the list is the tax system, which you just mentioned. You would agree that a tax system ought to be fair?

The Prime Minister: I do. As I said, we have a more progressive tax system today than the one we inherited in 2010. Those with broader shoulders are paying more than they did then.

Q70 **Liam Byrne:** You believe in the principle that those with the broadest shoulders should pay more?



HOUSE OF COMMONS

The Prime Minister: Of course I do. I believe in a progressive tax system, and that is what we have delivered.

Q71 **Liam Byrne:** At a time when one in five people are now set to pay 40% tax, is it not wrong that those who take their income in the form of investment income pay a rate of tax that is about half that?

The Prime Minister: Actually, the rate of capital gains tax on second properties, for example, is higher than it is normally. With investment taxes, you are also balancing the benefit to the economy of investment that creates jobs for people. Now, I would never normally comment on tax policy beyond those broad principles. Those are obviously for fiscal events. But as I said, broadly, the investment taxes in this country are competitive internationally, and we have a more progressive tax system today than we did in 2010.

Q72 **Liam Byrne:** But investment income has now doubled over the course of this century to about £80 billion. If you are a rich individual—maybe you are on a couple of million a year—when you file your tax return, you will be paying a tax rate of about 21% or 22%. That is much lower than one in five taxpayers today. Surely, that is morally wrong?

The Prime Minister: I think Gordon Brown was actually the Chancellor who reduced the rate of capital gains tax—

Q73 **Liam Byrne:** We are not talking about Gordon Brown. We are talking about you.

The Prime Minister: I am just making the point that the person who made the change in our tax system, which has now persisted for a long period of time—

Q74 **Liam Byrne:** But you have been both Chancellor and Prime Minister. You have had plenty of latitude to restore what you say is fairness to the tax system. I am curious as to why you have not done it.

The Prime Minister: Again, I am not going to comment on tax policy specifically. That would not be appropriate. Broadly, I am just making the point that when it comes to capital gains tax, it was Gordon Brown who first reduced the rate of capital gains tax significantly below income tax, and that has persisted as a feature of the tax system from that moment through to today. Actually, it has been increased for those on second properties, for example.

Q75 **Liam Byrne:** We have got wealth inequality that has gone up, not down. We have got the top 1% multiplying their wealth 31 times faster than everybody else. You appear to be defending a tax system that means that those who take their income in the form of investment pay half the rate of tax of everybody else. That just doesn't seem morally right.

The Prime Minister: I believe that you were perhaps in the Treasury at the time when that tax system was instituted.

Q76 **Liam Byrne:** To be fair, that was 13 years ago, and wealth inequality has multiplied substantially since then.



HOUSE OF COMMONS

The Prime Minister: So it was not morally wrong then, but it is morally wrong now? Is that the point you are making?

Q77 **Liam Byrne:** Wealth inequality is now a much more serious problem than it was in 2010.

The Prime Minister: Fair enough, if you have changed your mind on it, but you were in the Treasury at the time.

Liam Byrne: The facts have changed, and so yes, it is perfectly legitimate to change my mind.

The Prime Minister: As I said, the main change that has been made to the capital gains tax system since then has been to have a higher rate of capital gains tax for second properties, for example. So actually, it is even more progressive today than it was when you were in the Treasury, partly in charge of the tax system with the then Chancellor.

Q78 **Sir Stephen Timms:** Prime Minister, you will have seen the report from the Trussell Trust that food bank demand in April to September this year was 16% higher than in the same period last year. When you came to the Committee for the first time a year ago, you said that you hoped that, by the time of the election, food bank demand would be falling. Do you think that is likely to be the case?

The Prime Minister: I have not seen that report, and so I cannot comment on it specifically. As I have consistently said, you would prefer for people not to have to use food banks, but as I have said previously as well, I am grateful to all those people who are involved in providing them, because they provide support to people. We can continue to lift people out of poverty, improve their incomes and then support families with food costs, as we do, through things like the holiday activities and food programme.

Q79 **Sir Stephen Timms:** I am wondering specifically about the hope you expressed a year ago—that food bank demand would be going down by the time of the election. Do you think that is likely to be achieved?

The Prime Minister: Since then, we have had the significant inflation in the economy, which has impacted food prices, as it has done other things. That will obviously make it more challenging.

I am generally confident that the policies that we are putting in place are making a difference to help the most vulnerable—that includes the national living wage increase, the important support for the cost of living this year, and the increase in the local housing allowance. All of those are things that particularly help the incomes of the lowest paid and those on welfare. I hope that will help reduce food bank usage over time.

Q80 **Sir Stephen Timms:** I very much welcome the rebasing of the local housing allowance from April to the 30th percentile, as you have said. The last time that happened was when you were the Chancellor, at the beginning of the pandemic in 2020, when it was rebased at the 30th percentile. In the four years from April 2020 to April next year, it has



HOUSE OF COMMONS

been frozen, and in that period rents have risen quite a lot.

I think it is clear what has happened: people have had to dig into their other benefit income in order to pay the rent, because the housing support has not increased. Do you recognise that that has been one of the major drivers of increased food bank demand over this four-year period?

The Prime Minister: I think it is probably hard to reduce food bank demand—as we know, there are lots of complex reasons people are in food banks—to one single factor. More generally, inflation running at 11%, as it was when I took this job, is clearly going to have an impact on household finances, and that will manifest itself in lots of different ways.

It is important that the Government and I ensure that we are targeting policy and support on those who most need it. The local housing allowance is a particularly good way of helping families; it is targeted on those of the lowest incomes, particularly those with children, and it will provide £800 to those who benefit from it.

Q81 **Sir Stephen Timms:** I agree with that. Is there not a very strong case for annual uprating of the local housing allowance and not having, as we have had, an increase, a four-year freeze and then another increase?

The Prime Minister: There are lots of different ways that the Government can do this, and there are lots of different competing demands on the Government's resources—ultimately, they are taxpayer resources. Government has fully uprated welfare going into this next year, which will be at around twice the forecast rate of inflation. That is a significant uprating going into next year, well ahead of what forecast inflation is going to be.

Again, people speculated about that, so the Government have honoured that uprating in full at twice the rate of inflation, as well as a significant increase in the LHA. Taken together, and the national living wage increase, these are all significant things that will help those on the lowest incomes.

Q82 **Sir Stephen Timms:** Can I simply ask you to look specifically at the LHA? I think there is a very strong case for keeping it uprated, rather than the four-year freeze that we have had.

At the start of the pandemic, you introduced the household support fund, which has enabled local councils to provide a sort of last-resort safety net for families with nowhere else to turn. We do not know at the moment whether that is going to be extended into the next financial year. Would you accept that there is a very strong case for extending it, so that very important safety net remains in place into the new financial year?

The Prime Minister: It would not be right for me to comment on future fiscal events. I think that was introduced during an exceptional period—obviously, it was introduced during the pandemic—and then extended during the significant spike in energy bills. We ought to remember that the context has not historically been a permanent feature of the welfare system. Going into next year, as I said earlier, we have increased all



HOUSE OF COMMONS

welfare payments by the full 6.7%—I think it is—in spite of forecast inflation next year being less than half of that. That provides significant extra support for—

Sir Stephen Timms: That works both ways of course. At times, the increase in benefits has been much less than the current rate of inflation. You are right that you have stuck with a consistent formula and that is the right thing to do. I do not think it reflects particular credit on the Government but—

The Prime Minister: No, but I think it is rare to have such a mismatch.

Q83 **Sir Stephen Timms:** There was a bigger mismatch the other way round a couple of years ago.

The Prime Minister: Since I was Chancellor, we have consistently uprated welfare, and inflation has tended to come in lower, other than this past year when it has been higher, when we provided extra specific bespoke support. What we know now, though things can change, going into next year, welfare will be uprated at twice the forecast rate of inflation. Whatever happened in the past is the past.

From where we are today, next year the change in people's welfare will be higher than the forecast change in inflation, by quite a considerable margin. That, together with the LHA increase, is quite a significant amount of extra support to those on the lowest incomes—rightly, because inflation is still higher than we would like, and things are difficult. It is the right thing to do to focus on that, but it is worth appreciating that those two things together are quite significant support.

Chair: Thank you, Sir Stephen. Caroline Nokes for the Women and Equalities Committee.

Q84 **Caroline Nokes:** I want to ask you, Prime Minister, about the cost of living crisis and its impact on women. We know that in a financial crisis the risk of domestic abuse increases. Have the Government put in place enough practical steps to help victims of domestic abuse?

The Prime Minister: I very much hope so, because it is uppermost in our minds. If you or others have suggestions on what we could do, I would be very happy to hear them. It was always a priority for me as Chancellor at various fiscal events to provide funding for different domestic violence initiatives, to help reduce it and support those who are victims of it.

The Chancellor continued that most recently in the autumn statement, with an additional £10 million of funding to help out on both the economic impacts of domestic abuse and also more investment in the flexible funding initiative that you will be familiar with, which provides support to those who need it.

Q85 **Caroline Nokes:** The flee fund, which I very much welcome, is capped at £300,000. I accept that is a pilot, but do you think that is going to help enough individual victims who might wish to leave an abusive partner?



HOUSE OF COMMONS

The Prime Minister: As you say, that is a pilot fund. My understanding is that we have provided quite a significant uplift in the funding for it in the autumn statement, as well as various other things that already exist, which you will be familiar with.

The other thing we are doing, which is again something that has been called for, is making changes to the child maintenance support system, to ensure that people can request a switch to the collect and pay methodology or means of collection, which I think was an important innovation that the Government are committed to accepting, as well as, I think, almost all the recommendations of the independent report about how we can improve the working of the CMS system for domestic abuse victims.

Q86 Caroline Nokes: I am glad you have moved on to the CMS. We heard at the Women and Equalities Committee the week before last that the CMS is still not using all the powers at its disposal to collect payments from non-paying parents, particularly the removal of passports, where none has been removed in the past 12 months. Should the CMS be doing better on that?

The Prime Minister: I do not have the figures to hand, but I tend to agree with you that they should use all the powers they have to go after people who are renegeing on their commitments to their children and former partners. That is not right or acceptable. If the CMS have those powers, they should use them. The collect and pay request was a big request, which I believe is now implemented, but I will happily look at areas where we could do more, if powers are not being used, where they could make a difference to people.

Q87 Caroline Nokes: The Government response to Samantha Callan's review into CMS and domestic abuse was published in July. It still says that it wishes to progress the recommendations strongly. Are we likely to get any timescales on that?

The Prime Minister: I am happy to get back to you. That remains our overall view of the recommendations. I think we have accepted almost all of them. We are committed to taking them forward as soon as practically possible. I will happily go through and ensure that we are doing it as genuinely quickly as we can, because I completely agree with you about the importance of this. People who are in this situation deserve all our support, and people walking away from their commitments should be pursued with all the means that we have.

Q88 Caroline Nokes: Some 84% of lone parents are women, and yet all we get on the Callan review is that we accept the recommendations and are going to progress them strongly. It is really important that there is some sort of timetable set, so that those lone parents know that they are going to be supported.

Can I move on the issue of collect and pay? We have heard evidence in Committee, and indeed from constituents, that collect and pay cannot be used if the individual non-paying parent is not traceable via an address,



even when the Government—the CMS—have bank details, because they cannot write a letter informing the individual that they are going to change to collect and pay. Shouldn't it be possible to do so?

The Prime Minister: I'll be completely honest: I will have to get back to you on that. I will happily do that, because the broad thrust of what we are trying to do is make it easy for parents to request collect and pay where there is any evidence of domestic abuse against any of the partners involved. That is the aspiration and the thrust of what we are trying to do, but on that point of detail, I will have to get back to you, if that's okay. I will very happily look into it, because I think we are in agreement about what we are trying to achieve here.

Q89 **Caroline Nokes:** Absolutely. We know that the average age of a female carer is between 55 and 59 years old. We also know, and I love this figure, that 350 million hours—I am familiar with the number, 350 million—of unpaid care are done every single year, 59% of which is done by women. Is it fair to say that, without the unpaid labour of women, the entire system would collapse?

The Prime Minister: You are right: our unpaid carers do an extraordinary job, and they deserve all our thanks.

Q90 **Caroline Nokes:** The DWP appointed—earlier this year, I think—Helen Tomlinson specifically to help women over 50 back into work. What evaluation is being done of how successful that has been?

The Prime Minister: I don't know precisely, but I am happy to get back to you. More generally, the thrust of DWP policy, supported by the Chancellor, is to support people to be able to either come back or enter the labour market.

We have seen a particular drop-off post pandemic in the over-50s, and the Chancellor has talked about this a lot. We are investing far more in the DWP—over £2.5 billion—in a range of different initiatives to support people back in. I think there is a midlife MOT and various other initiatives. My sense is that they are relatively early in their roll-out, so I am not sure whether a formal evaluation has been done yet. I am happy to check and get back to you.

Q91 **Caroline Nokes:** Can I give a formal evaluation of the Minister for social mobility, work, disabled people and, it seems, everything else in the DWP? I think that she has done an amazing job and is absolutely the right appointment for that role. Is it not a little bit shameful that she is still doing that as a Parliamentary Under-Secretary role and does not have the heft of being a Minister of State? Her predecessor, Tom Pursglove, said that he needed to get grip across Government to make sure that disability champions were working effectively. Doesn't Mims deserve that same recognition?

The Prime Minister: What matters is action and what we are actually doing. Mims will maintain our relentless focus on improving the lives of disabled people. Again, we have a record that we are proud of. We talk



HOUSE OF COMMONS

more broadly about the welfare system, but there were specific cost of living payments to those who are disabled this year. The disability employment rate is up by 10 points over the past several years because of all the initiatives that we have done. We are improving access at stations around the country.

Something that I am personally proud of is the work I did as Local Government Minister on improving the provision of changing places and toilets across the country, which we funded. We are also maintaining our support for the disabled facilities grant—again, something I am familiar with from my old role as Local Government Minister—which supports those who are living with disabilities to live more independent lives. There is an enormous amount going on. I talked about the £2.5 billion of support for the back-to-work programmes; much of that is going to those with disabilities to help them enter the labour force, as many of them want to.

- Q92 **Caroline Nokes:** The sector is very disappointed that it looks like the role of disability Minister has now been downgraded and, indeed, spread across a lot of other responsibilities. Should it have remained as a standalone job?

The Prime Minister: As I said, it has varied over the past several years and before in different roles. What is important is what the Government are actually doing.

As you can see from the range of things I just highlighted—whether it is making more accessible transport, changing places, support in getting to work, the disabled facilities grant to enable independent living or support through the welfare system—this Government are doing an enormous amount to support those with disabilities. That will remain, and Mims is completely committed to delivering on that. I know she will do a great job.

Chair: I call Sir Robert Goodwill, for the EFRA Committee.

- Q93 **Sir Robert Goodwill:** Families, particularly low-income families, are still facing cost of living pressures this Christmas. We see inflation levels that have not been seen for more than a generation, and they are being primarily driven by food and fuel. We saw food inflation of around 18% at one point.

We all understand that when crude oil prices fall, the price of petrol and diesel at the pumps also comes down. That does not seem to be the case with food, where farm-gate prices of commodities such as milk have been falling, but we have not seen the commensurate reductions on the supermarket shelves.

My Committee has heard that increasing food prices are not being reflected in prices paid to farmers, with producers carrying the inflation increases in energy, fertiliser, feed and other input costs. What steps have the Government taken to ensure greater fairness in the food supply chain?

The Prime Minister: Farmers should absolutely be paid a fair price for their produce. I know that Robert and I will completely agree on that. That



is why the Government previously established the Groceries Code Adjudicator.

It is important that the Groceries Code Adjudicator does its job, which is to enforce the code of practice that has been set up with the big retailers to ensure fairness through the supply chain. There was a review of it earlier this year and it is doing, and can now do, specific interventions in the various subsectors—eggs, dairy and others—that you mentioned. We are cognisant of the pressures on farmers, which is why we also removed the 25% tariff on maize imports to help with animal feed costs as well, because I know it is a challenging time.

Q94 Sir Robert Goodwill: We all understand that supermarkets are very powerful. Sixty-five per cent. of the market is controlled by the biggest four supermarkets. We have heard in our Committee that producers are often frightened or reluctant to speak out about abusive practices. The adjudicator only looks at the relationship where those who directly deal with supermarkets are concerned. Do you think we should give more powers to the Groceries Code Adjudicator to look through the whole supply chain, rather than just those who deal directly with supermarkets?

The Prime Minister: It has just been reviewed this year and broadly was found to be working well. Obviously, it has the ability to fine retailers up to a per cent of turnover—which is a significant deterrent, I think. What is more pressing is that it uses the existing powers it has under the Agriculture Act to make sure it can go into the subsectors, as I mentioned. Specifically, that is dairy, pork, eggs, horticulture.

DEFRA Ministers are able to use those powers to ensure that those supply chains are working properly. I would like to see those powers being used and those supply chains working properly. I completely agree with you that farmers deserve a fair price for their produce. If that is not happening, we should be doing everything we can to make sure that it does.

Q95 Sir Robert Goodwill: So why have we not seen the price of food on supermarket shelves falling, when farm-gate prices have been falling?

The Prime Minister: You will know better than me that there is often a lag, because of contracting and other things. Obviously, I am not privy to the individual contracting. Where we have seen practices in other areas that we have not liked—for example, the CMA's investigation of fuel prices and roadwatch—the Government and regulators have acted.

As you will be familiar with, this year the CMA has looked at the operation of the grocery market, so this is something it is looking at actively more generally. Between the GCA and the CMA, we have two bodies who are very cognisant of the issues and keeping, rightly, a close eye on them. If there were any that were found not to be working properly, all of us would want to make sure that they sought action to correct that.

Sir Robert Goodwill: Thank you.



Chair: I call Dame Caroline Dinénage, on DCMS.

Q96 **Dame Caroline Dinénage:** Good afternoon, Prime Minister. The Association of International Retail told my Committee that the absence of tax-free shopping for overseas visitors means the UK economy could be missing out on as much as £12 billion in lost spending. Now that there is evidence of that level of economic harm, should the Chancellor look at that again?

The Prime Minister: I hope you will forgive me for not commenting on specific tax policy in the Committee; that would be a matter for the Chancellor. There are a range of different views about that policy. When I was Chancellor I remember that fewer than one in 10 non-EU visitors to the UK actually used it; and, from memory, the average amount claimed was something like £250, compared with an average trip price of closer to £5,000. There is a range of different views about this policy and the impact it is having. Obviously, fiscal policy and tax matters are not something that you would expect me to get drawn into too much detail on.

Q97 **Dame Caroline Dinénage:** But don't you think more work needs to be done on this? It is not only retailers who are affected. Whether tourists come and how long they stay—that is having a negative impact on hospitality, retail, heritage destinations and theatres. Surely, we should ensure, at least, that the Treasury looks again at the knock-on effects of this?

The Prime Minister: The Chancellor has already said he is always open to getting people's submissions, thoughts, research and evidence in a general sense, so I refer you to his remarks. More generally, I agree with you about the importance of supporting tourism, which is why the Government this year have invested more in our various tourism initiatives, to take advantage of the fact that things such as the Coronation, Eurovision and the Open were all happening.

I think VisitBritain had extra funding for a £9-million international marketing campaign this year to support the tourism industry. I agree with you—it has knock-on effects in all those sectors, which are getting Government support through the 75% discount on business rates for the coming financial year. That will help all of those, particularly small businesses, up and down the country.

Q98 **Dame Caroline Dinénage:** But since we left the EU, it is less attractive for overseas shoppers, it is more complex for overseas workers in tourism and hospitality, and it is more challenging for overseas school groups to bring tourists over here. I just don't remember one of the selling points of Brexit freedoms being that it would make our tourism industry less competitive. Do you?

The Prime Minister: I am not sure I completely agree. Obviously, things were going to be different after we left the EU—there is no point reprising all those debates—but this remains an incredibly attractive country to visit. Part of that is the flexibility and ease of using the visa regime. On that, we rank incredibly favourably.



HOUSE OF COMMONS

If you benchmark to most European countries and how they do their visa regime for visitors from the Middle East or Asia, I think our visa regime is far easier to use for those visitors. It provides more flexibility than most of our European competitors and that is something that, particularly when I was recently in the Gulf, was remarked on and welcomed because we are ahead of all our European neighbours and allies in providing that level of flexibility and ease for people to visit here.

Q99 Dame Caroline Dinéage: I think the hospitality industry would beg to differ. They are really struggling to get people over here to spend money or to work in the industry.

I think what the culture, media and sport sectors are struggling to understand is to what extent Brexit could in any way be supporting them. It is less attractive for overseas visitors to come here and spend their money. It is harder for UK performers to go to the EU and tour, and there is a haulage industry which used to be a massive employer in the UK that has been undermined by these cabotage restrictions. What actual plans do you have to ensure any of our culture, media and sport sectors can begin to see any of the upsides of Brexit?

The Prime Minister: That is broad. Our cultural sector more generally and our creative industries are enjoying one of the biggest booms they have experienced because of the Government's policy in supporting them—the theatre tax relief being an example.

Our film tax reliefs have led to record investment in our creative industries. It is booming in terms of the investment in studio space and post-production space. We are far outpacing all our European neighbours in terms of attracting that investment and growing the industry. I will be hosting a reception for them just this evening, where they will be celebrating all their success.

When it comes to the creative industries more broadly defined, I think we are actually doing an incredibly good job, and rightly so, because they contribute a huge amount not just to our cultural fabric and our society, but to the economy. The tax policies and other policies we have got in place are working in attracting that investment and creating jobs.

Q100 Dame Caroline Dinéage: If we look at our theatres and our cultural industries more broadly, I wonder to what extent you and the Government really value and understand their global economic impact. Is it just about how they make us feel, or do we really understand the global economic impact?

Let's take the National Theatre, for example. I know that you helped it celebrate its 60th birthday at Downing Street earlier this year. They export globally; productions like "War Horse" reach a global audience. About 17.5 million people a year are reached by that great British export, but it is operating despite under-investment in its infrastructure rather than with the benefit of infrastructure investment. Do you understand how much that is risking both economic and reputational damage—by not investing in it?



The Prime Minister: Actually, Caroline, you and I spoke at an event at the National Theatre some years ago to celebrate the success of the cultural recovery fund. Hopefully that gives you reassurance about my personal commitment to the sector. I agree with you: it is not just about how it makes us feel. That is why, when I was talking about the creative industries in my previous answer, I specifically said that it is about their contribution to the economy as well, because they are an economic powerhouse for the UK. They are one of our big global growth industries—a sector where we are genuinely world class—so we cannot ever forget about the economic contribution. I completely agree with that.

With regard to the National, I think it is the third largest recipient of Arts Council England funding. It also benefits quite considerably—to the tune of millions of pounds—from theatre tax relief, which the Chancellor improved, as well as from the support it got through the culture recovery fund. That is on the National specifically from ACE.

I know there are some questions on the capital side, and the Culture Secretary recently met the National Theatre's ED to discuss that. Broadly, the DCMS has a public bodies infrastructure fund that is investing hundreds of millions of pounds. I think I created it when I was Chancellor, and it has been topped up since. Things like national museums, the British Library and others benefit from that capital funding.

Q101 **Iain Stewart:** I would like to start with the long-term future of the rail industry. The King's Speech included the draft Rail Reform Bill; my Committee will expedite its parliamentary scrutiny, but it is unlikely to become law this side of the election and perhaps not for a little while after that. In the interim, what is the Government doing to help operators to build revenue and passenger numbers, and close the revenue gap?

The Prime Minister: During the pandemic the rail industry received unprecedented support—to the tune of tens of billions of pounds—from the Government to keep things running, support jobs and maintain the network. Covid has changed travel patterns considerably and it is right that the industry responds to that; there is no sustainable future for it unless it does respond to changed travel patterns. None of that is helped by industrial action, which you will be very familiar with. That is a significant barrier to forward progress being made.

For their part, the Government, with their decision, on HS2 are making quite a significant change in how we allocate funding going forward to support the types of transport that people are using more often and more regularly.

Q102 **Iain Stewart:** I appreciate that, and I will come on to HS2 in a minute. Given that GBR and the changes it will make are legally some way off, what can be done in the interim? For example, evolving the current National Rail contracts and encouraging open access can be done now. Are you engaging with rail operators to make that happen?

The Prime Minister: We should not wait for legislation to ensure greater sustainability of the rail networks; I completely agree with that sentiment.



HOUSE OF COMMONS

The Transport Secretary and the Rail Minister are in regular dialogue with industry partners about ways we could increase and improve sustainability and resilience in the rail network. An important part of that in the immediate future is dealing with industrial action, because that is having an enormous impact on the remedies to the network.

Perhaps the biggest thing that could change in the short term to improve the financial sustainability of the rail network is no industrial action, and I would call very strongly on the unions involved—not all of them, because many have now reached a settlement with their operators, which is very welcome, but there are some that are still going on strike, and that is damaging the sustainability of the rail network that we have in this country.

Q103 Iain Stewart: Thank you. I would like to turn to HS2 now. You made that controversial change in October to scrap the second phase in favour of a bundle of other projects. Although those are valuable in themselves, collectively they do not address strategic capacity issues on the network, particularly the west coast main line, which is the busiest rail line in Europe.

Passenger numbers are ticking up; the change in travel patterns during covid may turn out just to be a temporary phenomenon. Given that the west coast main line north of Birmingham will soon be at capacity and there will be no room for extra passenger or freight trains, what other work are the Government doing to address that long term capacity issue?

The Prime Minister: On capacity, completing phase 1 provides capacity along the route. From memory, that means there will be space for about a quarter of a million passengers, and it can handle about triple the amount of demand that is currently travelling on the west coast main line. From memory, that is the scale of the increase in capacity that is provided by proceeding with the Government's plan.

Given where we are post-covid, that seems like quite a significant increase in capacity provided by the investments the Government are making. But again, I know that where there are options to focus on pinch points and other things, the Government will always look at those. Some of those are going to be done anyway as part of the significant investment that is going into phase 1, to handle a tripling of the demand that is currently on the network.

Q104 Iain Stewart: Phase 1 will certainly address the capacity south of Birmingham to London, but there will be a bottleneck between Birmingham and Manchester, which will affect services further north to Scotland and so on. HS2 phase 2 was a solution to that capacity issue, but that has gone—we can argue whether that is right or wrong—and Network North does not provide that additional capacity. Can you ask Network Rail to look at other options to address that long-term issue? Otherwise, 10, 20 or 30 years from now, we will be regretting this decision.



HOUSE OF COMMONS

The Prime Minister: Again, my understanding is that by completing phase 1, there are benefits across the whole network. As I said, it can handle, I think, about triple the level of demand that is currently on the network. That was my understanding when I last looked at it. But I don't disagree; I think, in general, Network Rail should of course be doing forward planning to make sure that the network can handle forecast needs—freight and passenger—and that should inform its thinking. Once phase 1 is done, there are questions about which services are used on which lines, and they will be thinking about all those things when they do the work to finalise those decisions.

Iain Stewart: If I may, I will write to you with my concerns on this in further detail. Thank you.

Chair: Thank you very much, Mr Stewart. Prime Minister, Dame Meg has very kindly agreed to forgo her remaining time, which allows the Chairman of the Health Committee, Steve Brine, to ask a question.

Q105 **Steve Brine:** Well done, Prime Minister, on hopefully reaching resolution on the NHS consultants' dispute. How are you going to end the junior doctors' action and find some peace on Earth with the BMA and trade unions, given that the head of the NHS Confederation said that the six days of strikes the junior doctors have announced is the worst fear of health leaders come true?

The Prime Minister: It is very disappointing that the junior doctors have rejected the offer. We have now reached resolution with every other part of the public sector and every other part of the NHS—over a million workers—through the agenda for change deal that we did several months ago, including all our nurses, and most recently with the consultants and the other doctor grades. The only people who have not settled are the junior doctors.

We have a clear set of terms with the consultants and the other doctors, so there is a clear template here. I would also say that the junior doctors received the biggest increase in their pay through the independent public sector pay process—around a 10% increase for a typical junior doctor—so they were already going into these talks with the largest increase of any public sector workforce. As I said, every other part of the NHS, including all the other doctor grades, has now found resolution with the Government.

Q106 **Steve Brine:** They are the indisputable facts, but how are you and your new Secretary of State going to end the strikes? One of your main pledges stands at risk as a result of this ongoing industrial action, as you have quite rightly said.

The Prime Minister: On waiting lists, I am pleased that we have successfully almost eliminated the number of people waiting two years and one and a half years, which is good progress; but overall, waiting lists are obviously impacted by industrial action. In the past month or so, when there has been no industrial action, we have seen waiting lists come down. The amount of elective activity that is happening in the NHS when there is



HOUSE OF COMMONS

no industrial action is at record levels. So you are right that the industrial action does have a big impact.

Ultimately, the Government have demonstrated their considerable reasonableness, and the proof is in the fact that we have reached resolution with every other workforce, not just in the NHS but across the public sector more broadly. The question is more for the junior doctors: why are they refusing to accept something that everyone else has now accepted, on top of having a pay increase that is more generous than anyone else's set by the independent body going into this?

Q107 **Steve Brine:** Every MP in the House has a story for you about NHS dentistry. You will have seen the story in the press today of the Nuffield Trust saying that it is in its most perilous position in its 75-year history. When will we see the dental recovery plan? Can it be a new year present for me, please?

The Prime Minister: Yes, it will be in the new year. Obviously there is the £3 billion that has been invested in NHS dentistry, with the reformed contract, which is helping. The amount of activity this past year is 20% higher than it was the year before, so progress has been made, but of course, as I have acknowledged, there are still things that need addressing. That is why it is important that we get the dentistry recovery plan published.

Q108 **Steve Brine:** Will we see that early in the new year?

The Prime Minister: I couldn't give a precise date, but it is being worked on. We want to make sure that, as I said, it builds on the progress that we have made this year, when there has been a considerable increase in the amount of activity because of the reforms to the contract and the funding. That is 20% more activity than previously, so that is good progress, but there is obviously more to do.

Steve Brine: Thank you, Prime Minister.

Chair: That concludes our questioning. I am very grateful, Prime Minister; you have been skilful at helping us to keep to time. I thank my colleagues too. It just remains to wish everyone—including you, Prime Minister, everyone in the Government, and everyone present—a very merry Christmas and a happy new year.

The Prime Minister: Merry Christmas!