

Liaison Committee

Oral evidence: Work of the Prime Minister, HC 1199

Monday 21 July 2025

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Members present: Dame Meg Hillier (Chair); Debbie Abrahams; Steve Barclay; Liam Byrne; Ruth Cadbury; Sir Geoffrey Clifton-Brown; Dame Caroline Dinenage; Florence Eshalomi; Patricia Ferguson; Helen Hayes; Dame Chi Onwurah; Andy Slaughter; Nick Smith; Emily Thornberry.

Questions 1-95

Witness

I: Rt Hon Sir Keir Starmer MP, Prime Minister.

Examination of witness

Witness: Rt Hon Sir Keir Starmer MP, Prime Minister.

Q1 **Chair:** Welcome to the Liaison Committee on Monday 21 July 2025. We are delighted to have before us the Prime Minister, the right honourable Sir Keir Starmer MP, to answer questions from the Chairs of various Select Committees. As usual, Prime Minister, you can expect us to be on top of our brief, and we know that you are on top of your brief, so we do not need the background to every answer. I am sure that you will just answer the questions that we ask; if not, we will chivvy you along.

Let me start with your reflections, having been in post for a year now. Could you give us a quick vignette—a picture—of what you want the UK to look like in three years' time, after the first term or so of your premiership?

The Prime Minister: I want people to feel better off—there has to be a central focus on living standards. I want them to feel, as they will, that the health service is working much better and is there for them and their families in a way that it has not been for many years. And I want them to feel safe and secure, both in their immediate neighbourhood and as a country in respect of our borders, national security and defence. Those are the three things that I am focused on more than anything else. I want people to feel that we have cleared up the mess that we inherited after the election—it was a huge mess, because we had a broken economy and broken public services—and that we are on the road to rebuilding the country.

Q2 **Chair:** What about child poverty? What progress would you like to see on that?

The Prime Minister: Tackling poverty and breaking down barriers has to be central to everything that we do. People will not feel better off or safe and secure if we have not tackled poverty. I am very clear in my own mind that we must tackle poverty by putting in the support that is needed, but also break down the barriers to opportunity; otherwise, we will not fix the very deep and complex causes of poverty. That is why it is central to what we are doing. It is not a one-Department issue; it cuts across all Departments because it is so complicated and deep rooted.

It has to be more than just support to deal with poverty as it is today. We need also to put in place the measures to ensure that people can get out of poverty and stay out of poverty. That is why, broadly speaking, the strategy we have adopted has four limbs to it. The first is to increase income—the money coming into people's pockets, and into their household—and then to decrease costs for them, to strengthen the local support they have, particularly to get back into work but in other ways too, and then to boost financial resilience. I am very proud of the fact that the last Labour Government drove down poverty and I am determined that this Government will as well.

Q3 **Chair:** You talked about working across Departments, and you obviously



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have the missions that you are working towards. What are you personally doing from the centre and in No. 10 to make sure that Departments work together? Sometimes in Whitehall, you can pull one lever somewhere and it does not have the desired effect—it can actually have a perverse outcome—so how will you make sure that you stitch those issues together?

The Prime Minister: The first thing is to make it absolutely clear that this matters to me and to No. 10 as one of the central things that I want to drive, and that our priorities are the three that I set out earlier. Secondly, we have to put in place the cross-departmental working, which is often the most difficult bit. We then have to set up the relevant taskforce. For child poverty, we have set up a designated taskforce to look specifically at child poverty and to devise our strategy. That reports in, so I have oversight of that, so that everybody can see that it is a No. 10 and a Prime Minister priority in what we are doing.

Q4 **Chair:** And would it be your aim to see child poverty reduced by the end of the Parliament?

The Prime Minister: Oh, yes. As I said, the last Labour Government got child poverty down, and I want to get child poverty down.

Q5 **Florence Eshalomi:** Prime Minister, you mentioned that child poverty is central. For every child to be lifted out of poverty, do you agree that they need to live in a safe, warm and secure home? We remember the tragic case of Awaab Ishak, the two-year-old who died in Rochdale in frankly unsuitable and uninhabitable conditions of damp and mould. It is welcome that the new Government have set a priority to tackle this issue. When the new legislation to tackle damp and mould is brought in later this year, are you confident that it will be enforceable?

The Prime Minister: Yes, I am. First, thank you for highlighting it, as it is really important. It is terrible that, in this country at these times, anyone could die in those circumstances. That is why we made the pledge to put it into law, and we will put it into law. I do not think we can simply say that, on its own, the law will do all the work that is needed. That is why we have strengthened standards in housing across the board, including checking that landlords are doing things like electricity safety checks as well.

Yes, I am confident that it is the right law. Yes, I think it will be enforceable. But I do not think there is one silver bullet to solve all the problems in either housing or poverty.

Q6 **Florence Eshalomi:** As you may be aware, one of the issues is that a number of landlords, including local authorities, are saying that they are struggling with the funding and enforcement to carry out the necessary checks. We know that the courts have a backlog of residents bringing forward those cases. Prime Minister, as a lawyer, you know that for anything to be enforceable it has to have the right protection around it. Have there been interdepartmental discussions to make sure that tenants' cases are escalated when they bring them before the courts?



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The Prime Minister: Yes, there have. One of the ways in which I have set up the work of Government is to have key Ministers reporting to me on key commitments for a regular stocktake. We go through progress, what measures are in place and so on. Housing, as you would expect, is one of them. There are six areas where we have these regular stocktakes, and housing is one of them. The Deputy Prime Minister and her team come into No. 10, and we have a session where we go through a number of different issues. Decent housing standards and enforceability are among them.

- Q7 **Florence Eshalomi:** You will recall that the last time we met, I asked you about the Government's decision to freeze the local housing allowance. Coming back to the issue of child poverty, this is an area that is keeping many children and their families in poverty: they cannot afford the rent. Recent data from the Local Government Association, which is responsible for all councils, shows a funding gap of around £700 million over the last five years. This is a key area that is pushing many people further into poverty. I ask you again, Prime Minister: do you think that was the right decision from a Government who are ambitious on tackling child poverty?

The Prime Minister: Look, I defend the decisions we have made. Obviously, as we head into the autumn, we will get to another Budget and there will be a chance to look again across the board. We certainly made the right decision first time round. I would emphasise something I touched on last time, which is that in the end we need to build and make available more housing across the board. There simply is not enough, and that means—

- Q8 **Florence Eshalomi:** But you might have seen that the number of starts is quite low. We are not building those houses quickly enough, so we will see more people, more children, in poverty. We cannot build our way out of this crisis, so in the interim, what more can the Government do to help alleviate that poverty?

The Prime Minister: As I said, we will set out a child poverty strategy in the autumn. We will go into the Budget in the autumn as well, and alleviating poverty is a priority of mine. I do think we need to build more, though. We have to build more, because we have had a problem for many years of not building enough social and affordable housing in this country. Until we crack that problem, we will never be able to get to the fundamental root of the failure, which is why, on that issue in particular, I am pressing the Deputy Prime Minister very hard.

- Q9 **Chair:** When homes are built in expensive parts of the country, it is very hard for social landlords to afford to buy them at a rate to make sure rents are truly affordable. Is there anything on your radar about how you will ensure not just the supply of housing but the supply of properly affordable social housing?

The Prime Minister: Yes, that is why we have made a commitment within the building commitment for social and affordable housing and put down £39 billion, which is the biggest amount—

Chair: Over 10 years.



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The Prime Minister: Well, yes. I appreciate that. It is always the duty of Government to deal with the here and now, of course, but also to deal with the mid and long term. In my view, one of the big problems over the last 14 years is that nobody did the mid and long term, so we lived with ever-decreasing cycles of failures and short-term sticking plasters. I am determined that we are going to cut through that.

- Q10 **Sir Geoffrey Clifton-Brown:** Good afternoon, Prime Minister. Following on from Florence's last question about local housing allowance, some 45% of households now face a shortfall between the local housing allowance they receive and the rent they pay. Some local authorities top this up, and that is costing them, in aggregate, £204 million. When the PAC did a study on this way back in January, your officials at DWP could not tell us what effect the freezing of the local housing allowances would have on increased homelessness. There must be an effect.

The Prime Minister: I hope that since then they have provided you with a letter or some further evidence; if they have not, I shall make sure I do after this session. In relation to homelessness, that is also an initiative led by the Deputy Prime Minister—it is one of the priorities that I have given her—and we have put a lot of money, £950 million, into more temporary accommodation. That is money straight into local authorities. Often a lack of temporary accommodation is one of the causes of the problem.

Overall, we are investing £1 billion in reducing homelessness, and that involves a lot of preventive work. So there is a central focus on homelessness and a lot of money being put behind it, particularly focusing on the question of temporary accommodation available to local authorities.

- Q11 **Sir Geoffrey Clifton-Brown:** Sticking with homelessness for a minute, we discovered that the cladding remediation levy was sucking up so much of developers' funds that affordable housing starts in London last year—I accept from a fairly low base—dropped by 90%. That surely is not going to help either the people who have been made homeless or your overall effort to reduce poverty, is it?

The Prime Minister: No, and we need to drive that up; that is a problem that we have identified and are working on. Obviously, we have to do the necessary work on cladding, and that has to be financed, but you are absolutely right that we need to turn that number around and drive it up, so the Deputy Prime Minister is across all these housing issues.

- Q12 **Sir Geoffrey Clifton-Brown:** One of the hardest things I found in our inquiry was that, in June '24, almost 6,000 households with children were being housed in bed and breakfasts, of whom almost 4,000 were over the six-week limit. I just ask you, Prime Minister, to imagine what it is like to live in a B&B with children, when you are probably having to get out at 9 o'clock in the morning and not come back till 6 o'clock in the evening. It must be pretty hard. We also found that 39,000 households were occupying temporary accommodation outside their normal home area. There will be people living in B&Bs past the six-week limit, with children, outside their area, who are trying to struggle to get to schools, work or



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whatever it is they have to do. What can you do to begin to solve that problem?

The Prime Minister: First, let me acknowledge that it is a real problem and has a huge impact on families, not just in terms of the physical aspects of living in those conditions—the cramped and small circumstances—but, in very many cases, on the ability of a child, for example, to get on with their homework and get on at school. It has not just immediate, short-term consequences; it has longer-term consequences, because those same children, once they are struggling at school, will struggle further down the line in school.

That is why it is important that we have put the extra money into temporary accommodation for local authorities, to make sure there is a wider range of accommodation. Now, you cannot fix this overnight, but you are absolutely right that it needs to be turned around, for all the reasons that you have identified and that I absolutely understand.

Q13 **Florence Eshalomi:** On that point, Prime Minister, every homeless child means a child missing school, a child missing out on the vital and welcome breakfast clubs that your Government have committed to, and a child or adult missing out on the extra hospital appointments because they do not have a safe and secure home to go to. We are seeing councils at breaking point because of the additional money spent on temporary accommodation, and a number of councils declaring bankruptcy because of temporary accommodation. This is not sustainable. I come back to some of the measures that have been taken by the Government. Do you feel, Prime Minister, that we need an urgent reset in local government funding to look at the long-term solutions and key pressures facing councils up and down the country?

The Prime Minister: First, let me say that we have put £1 billion into homelessness—a huge amount more than any Government have put in for a very long time—for precisely the reasons that have been identified by this Committee. There is an absolute commitment on homelessness, and the money was put there in the Budget and the spending review to make good on the commitment on homelessness.

On the wider question of local authority funding, I think that it needs a review, and I have long thought that. Among other things, we need multi-year settlements. There is no end to the local authorities that say to me, “Because it is a year-on-year allocation of money, we cannot use the money as effectively as we might otherwise be able to.” I do not know how many authorities have said to me, “Until you fix the no-fault eviction problem”—as we are now doing—“you will have a homelessness problem, and the bill will be picked up by local authorities.” That is why we brought in the provisions to get rid of no-fault evictions. I absolutely agree that this needs review and change. We have started the process of change, and for me, they would be the top contenders of what we are getting on with to bring about a material change as quickly as we can.

Q14 **Florence Eshalomi:** That’s good. It would be good to know when we can

expect to see some of those changes and the extra investment.

The Prime Minister: The investment into homelessness has gone in already—that money has been made available.

Q15 **Chair:** When do you expect to see a change?

The Prime Minister: As soon as possible. I have the Deputy Prime Minister project-managing this. We are looking across the numbers, and we are getting the money to where it needs to be, but the financial and political commitments are in place. The Deputy Prime Minister is pretty focused on this; it matters hugely to her and to me, and therefore, we are driving it through central Government.

Q16 **Chair:** I talked earlier about your vision in three years' time. Are you saying you will see a difference in three years, or in the next year? When do you think we will see the actual difference on the ground? Local authorities are very cash-strapped.

The Prime Minister: In homelessness or living standards more generally?

Chair: On this particular issue of housing and temporary accommodation.

The Prime Minister: I want to see the money that is going into temporary accommodation having immediate effect—in other words, I want to see more accommodation available. Obviously, it is going to take some time to get it into place, but this is not a delayed project.

Q17 **Chair:** Where is this accommodation going to come from, Prime Minister?

The Prime Minister: A central focus of what we are doing is what can be built, arranged or taken by councils and repurposed, I am impatient for this change to be driven through, and—

Florence Eshalomi: So are those families, Prime Minister—

The Prime Minister:—there is no desire in Government for this to take any longer than it needs to take to be done effectively and properly.

Chair: It is just that we have the Home Office bidding for homes for asylum seekers, and we have councils bidding for the same properties—

Florence Eshalomi: —for the homeless. Everyone is chasing the same ones.

Chair: It is driving up the price and the cost.

The Prime Minister: I know, which is why I am so furious at the last Government for leaving tens of thousands of asylum seekers unprocessed and with nowhere to live, other than accommodation paid for by the taxpayer.

Q18 **Chair:** Are you planning to build homes?

The Prime Minister: We will have to do a number of things; of course, we will have to build.



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Q19 **Chair:** But that will not happen in the next year?

The Prime Minister: We have to take over other accommodation, and we have to drive down the asylum lists. There is no alternative.

Q20 **Chair:** Just to pinpoint this, precisely what other accommodation are you planning to take over to provide temporary accommodation for families?

The Prime Minister: There is lots of housing in many local authorities that can be used, and we are identifying where it can be used.

Q21 **Chair:** Do you have any examples that you can give us?

The Prime Minister: No, but I will give you details in writing.

Q22 **Chair:** I have to say that, certainly in a number of our local authorities, as I am picking up from around the table, there is not a lot of spare housing available. If there were, councils would have been able to deal with it by now.

The Prime Minister: Exactly, which is why leaving tens of thousands of unprocessed asylum seekers who need to be housed is a huge problem for this Government.

Q23 **Chair:** So you will be putting the homeless families into those hotels.

The Prime Minister: No, we are looking at what accommodation is available, and I will make sure that we send a detailed letter.

Chair: Okay. We certainly look forward to receiving that detailed note, and I am sure that councils are breathlessly waiting for it.

Q24 **Helen Hayes:** Good afternoon, Prime Minister. My Committee has just completed an inquiry on children's social care. As part of that inquiry, we heard really devastating evidence from care-experienced young people who experience a cliff edge in support at the age of 18. For example, a young person told us how she had to give up her A-levels because she had to work to pay rent to keep a roof over her head. I hope you would agree that is a choice that no young person should have to make.

As a consequence of that evidence, my Committee has recommended that young care-experienced people need more support at the age of 18, both with accommodation and their living costs, to stop them being trapped in poverty for a lifetime. Do you agree with that recommendation? How would you progress the urgently needed additional support for young people leaving the care system?

The Prime Minister: First, I absolutely agree with the identification of the problem that you and your Committee have put forward: lots of children coming out of care essentially go off a cliff edge, and they go from having support when they are in care to having almost none. In my view, we have to change that so that there is graduated support as they come out of care. I have not looked particularly at the recommendations, but I will make sure they are looked at, and obviously we will give you our full response to them.



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Q25 Helen Hayes: Thank you. We very much welcome the Government's commitment to a youth guarantee to support young people into education, employment or training, but we are really concerned about some of the additional barriers that young care-experienced people face, often as a consequence of trauma they suffered earlier in their lives. The evidence we have seen points to the Government's decision to withdraw universal credit from under-22-year-olds as having a particularly harsh impact on increasing poverty among care-experienced young people. Our report recommends that that group of young people, which is numerically very small, should be exempt from the decision to withdraw universal credit so that they can still access that support when they need it. Is that something you are prepared to take forward?

The Prime Minister: We will certainly have a look at your Committee's recommendation. I think the youth guarantee is a hugely important part of what we are trying to do, and we will certainly look at your recommendation.

Q26 Helen Hayes: One of the issues is that mental health support is often not there for those young people, who have experienced trauma earlier in their lives. If they are living with trauma, it is very difficult for them to take advantage of opportunities that might otherwise be available to them. That is why we are looking particularly at a safety net for care-experienced young people. This is about avoiding them being trapped in poverty for the rest of their lives. Is that something you would be prepared to pick up?

The Prime Minister: As I say, we will look at the recommendation that your Committee made.

Q27 Helen Hayes: Finally, again drawing on that report, the evidence is that if the Government are serious about homelessness and tackling the problems in the criminal justice system, they have to be serious about providing better support for young people in the care system, because they are so vastly over-represented in both of those populations. A quarter of the prison population has care experience. That indicates that they are not in prison for any reason other than that their lives have gone really badly wrong because they were let down when they were children.

As a Committee, we believe that this problem is of strategic importance to the Government, yet support across the country for care-experienced young people is completely inconsistent. Our Committee recommends a national offer for care-experienced young people. Will you commit to that, Prime Minister?

The Prime Minister: First, on your general analysis, I agree. For many years, we have seen an over-representation of those who have been in care in poverty and in prison—in the criminal justice system—and we absolutely need a better approach to that. I don't know whether a completely national approach is right or wrong. I will certainly look again at what your Committee has said about this, and I will make the relevant inquiries, but we have to improve the chances and opportunities for those who have been in care and come out of care. It starts, obviously, with

what has been a cliff edge for many of them, but then continues with quite deep-rooted problems, very often for the rest of their lives.

- Q28 **Helen Hayes:** On current policy, they will still face that cliff edge. They will still fall through gaps in support because there is not a national safety net for them, so I hope you will look at that in detail and come back to this Committee with progress in due course.

The Prime Minister: Okay.

- Q29 **Debbie Abrahams:** Good afternoon, Prime Minister. Since you were last before us, my Committee published our interim findings from the “Pathways to Work” inquiry in May, in which we expressed our considerable concerns about the imminent UC and PIP legislation, and particularly about the change to eligibility for those benefits, which has the potential to push 250,000 disabled people into poverty. I acknowledge the concessions that the Government made in the Bill, but the fear and anxiety that it caused to disabled people currently in the system cannot be overestimated. I just wonder what you would like to say to them now. What will you be doing differently in the future?

The Prime Minister: Well, it is very important that they feel secure and supported. That is at the heart of what we are doing with the changes we are making to welfare and related areas. I want to see more opportunities and more support put in place. Some of that will come from the state; some of it can come from employers. I am absolutely clear in my own mind that there is more that employers could do, and that the state can help them to do, to encourage those with disabilities to come into work, and to retain those who are in work. I have seen good examples of that myself—as no doubt you have—but not enough across the country, so we need to do more.

- Q30 **Debbie Abrahams:** On that very point, you will be aware that your Government still estimate that 50,000 newly disabled people, in April next year, will be pushed into poverty because of the reduction in the UC health element of the Bill. You spoke about getting more disabled people into work. Charlie Mayfield, who as you know is doing the “Keep Britain Working” review—not to be published until this autumn—has said that it will take several years before the labour market changes to allow more disabled people to be employed, and to retain disabled people. My question is: several years or eight months—what are we going to do to mitigate the potential pushing of another 50,000 newly disabled people and their families into poverty?

The Prime Minister: The Mayfield report is coming in the autumn with the final recommendations. We obviously need to look at that piece of work, and that is focused, as you know, on what employers can do. I do not accept that everything is going to take years. Some changes take years, but not all, and we have to do work in the interim to give support to those with disabilities—

- Q31 **Debbie Abrahams:** What specifically had you in mind, given that we have had a disability employment gap for well over 10 years?



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The Prime Minister: I think a lot of work can be done with employers to encourage them to take on and to retain. That does not need primary legislation. I have seen pilots across the country, which I would like to see many more of, that have been very successful. Yes, I accept that if you want to pass legislation it will probably take some time. Some of the changes that I have seen for myself have been quite effective, and they do not need legislation at all. I think we can get on with that as quickly as possible. The Mayfield recommendations will be with us, obviously, later this autumn.

Chair: Could you give an example, Prime Minister?

Q32 **Debbie Abrahams:** I am aware of the trailblazer examples. Those are pilots, with tens of thousands, not the hundreds of thousands that will be affected next April. I would like to point out that in my part of the world there is one job for a disabled person for every 333 disabled people chasing a job. It is slightly different in the south, where there is a more vibrant local economy. It just seems so punitive, in that regard.

Ultimately, I want to go back to my first point about doing things differently. This was poor legislation. It was designed to save money for the Treasury by cutting support to sick and disabled people. It was so far removed from Labour values of fairness and social justice, let alone compassion and common decency, that I have to say I felt ashamed. What are the values that will underpin the Government's policymaking going forward, so that we avoid the potential and real harms that disabled and vulnerable people are going to face?

The Prime Minister: I think this is a really important Labour value. I think the fact that there are nearly a million young people out of work, not earning or learning, is a huge challenge for our country, and none of us should accept a system that operates like that. It is broken and needs to be mended. All the evidence is that if you are on benefits and out of work at that young age, the likelihood of ever getting into good, well-paid, secure employment goes down for the rest of your life. One in 10 working age people is out of work, and 3 million are locked out for health-related reasons. It is no wonder that almost everybody says the system is broken and has to be changed. I am glad that we have started the process of change. I am not going to pretend that we got everything right in recent weeks, but we do need to reform the system. We should take that on as a Labour argument, in my view.

Debbie Abrahams: I could not agree more. Everybody agrees that reform needs to happen; it is a broken system. But, as you mentioned right at the beginning, in your introduction, reform does not mean cuts to the incomes of already struggling households. We must do better. You mentioned reducing poverty; this actually had the potential to increase it. I will leave it there.

Q33 **Sir Geoffrey Clifton-Brown:** Hello again, Prime Minister. It seems that we have, as Debbie Abrahams was saying, a long-term trend of unemployment increasing every month. The rate now stands at 4.7%, with 1.67 million people out of work. It was therefore perplexing to me,



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and I hope it might be perplexing to you, that when we published our report into jobcentres on 2 July, we found that there were 2,100 fewer work coaches than there had been the year before. I accept that the DWP has had difficulty recruiting work coaches, but given that I am sure it must be your stated objective to try to help people back into work wherever possible, and work coaches play a key part in that, it was surprising to find that not only were there fewer work coaches but their initial interview time had been cut from 50 minutes to 30 minutes, with proposals to cut it even further.

That means that the moment the work coach gets into a room with a jobless person, they have to establish who they are, get all their data, their criteria, their skills and their wishes as to how they could get back into work all in half an hour. If it had been previously deemed necessary to have 50 minutes, I do not quite see how it could be done in 30 minutes.

When we questioned DWP on this, they told us that it was based on data from their own employees dating back to the period from 2015 to 2018. They had not done any surveys of the people trying to get back into work themselves. This really seems peculiar. And we know that the into-work rate declined from 9.7% in 2021-22 to 8.2% in 2023-24, and I imagine that it will decline again this year with the lack of work coaches. Could you tell us how that might be reversed?

The Prime Minister: Let me go back to the beginning of your question, if I may. The employment rate is up 0.8 percentage points over the year, and the unemployment rate is also up slightly. Now, you may think that is a slight contradiction but, as you will know, what it indicates in the data, on my own analysis, is that the inactivity numbers have gone down. So, those not even looking for work have begun to look for work, hence the unemployment figure has gone up at the same time that the employment figure has gone up. Therefore, that puts a great spotlight on the very problem you have identified, which is whether jobcentres are doing what we expect of them in helping those who are now looking for work, and those who have been looking for work, into work.

We have already started the programme of changing how jobcentres work, because there is not enough time coaching and helping people into work. I also do not think that many businesses are actually going to the jobcentre when they have a vacancy. I have talked to lots of businesses myself and asked, "When you have a vacancy, are you listing it at the jobcentre so that we can match the local jobs that are available with those who are looking for work?" The answer is that most of them do not go to the jobcentre. We have already started a lot of change in jobcentres, and we need to see it through for the very reasons you have identified.

- Q34 **Sir Geoffrey Clifton-Brown:** Prime Minister, I do not think you quite answered what I asked. You said, I think, that the work coaches would be given more time. In fact, not only have the initial interviews been cut from 50 to 30 minutes, but the follow-up interviews have been cut considerably as well. In other words, people seeking to get into work are finding it more and more difficult, because they are getting less and less advice.



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The Prime Minister: I will take away the point that you are putting to me. I am not across the details of how many minutes are allocated to the coaches in jobcentres, but I agree with the broad principle that you are putting to me, which is that there needs to be more support for people to get into work. In my view, we need to change the way that jobcentres work altogether—we need to change the very nature of them—which is part of the work that we are doing. I will take away the particular issue you raise regarding the minutes allocated and get a fuller answer to you.

- Q35 **Sir Geoffrey Clifton-Brown:** A final question from me. You have just said that you want to change the way that jobcentres work. Could you elucidate on what is in your mind?

The Prime Minister: I do not think that most businesses are advertising in jobcentres, and I think there is a basic mismatch between what is genuinely available in an area and what people going to a jobcentre are being presented with—I think that is a problem we have to sort out.

That is because businesses do not have faith in jobcentres, so the jobcentre is not doing the job it is intended to do, whether it is minutes allocated or whatever. We have allocated money to support people into work, and in my view that needs to be used much better. In terms of the precise minutes allocated for face time or support time, I am not across the detail, but I am absolutely clear that we need more support. Those are the two fundamental changes that are needed for jobcentres, to my mind.

- Q36 **Liam Byrne:** You said at the top of the meeting that your vision for three years' time is "I want people to feel better off." Just so we are absolutely clear, is your ambition that everybody in our society should feel better off in three years' time, including the poorest 40% of households?

The Prime Minister: Yes.

- Q37 **Liam Byrne:** You will be aware of some quite troubling forecasts from, for example, the Joseph Rowntree Foundation, which says that, in fact, having looked at all the measures that the Government had announced by the summer, the bottom 40% of households are not going to be better off in three years' time and will actually be £1,200 a year worse off. What needs to change between now and the end of the Parliament so that everyone in our society is in fact enjoying higher living standards?

The Prime Minister: We need to do a number of things. First, we have to get much better growth into our economy and create more wealth in the first place. That is why we put so much store in ensuring that we took necessary measures at the Budget to deal with our inheritance. We then had a spending review, which was targeted at the question of making sure that, if there is a thriving economy, it is a thriving economy in every part of the country, and not just in some parts of the country.

It is also why we have already, in the spending review, focused on things like the living wage and the minimum wage and ensuring that wages are going up. They have gone up more in the last 10 months than in the previous 10 years. That is the first part. The second part is the poverty



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strategy, and we have to ensure it is across the whole of society and every location because, in addition to the growth figures, as you all know, we have had inequality variances across the country, place by place.

We have to have a laser focus on that because, while we want more wealth creation and a thriving economy—and we do, and it will—we cannot have that in just London and the south-east, with redistribution being a one-word answer for the rest of the country. To my mind, that is fundamentally wrong.

Q38 Liam Byrne: The challenge we have, though, is that the Bank of England now forecasts that wage growth is going to slow down, the Joseph Rowntree Foundation says that earnings for the bottom 40% are going to fall by £700 a year, the Office for Budget Responsibility says that real household disposable income is going to fall to almost zero in a couple of years' time, and the Resolution Foundation says that the freeze on tax thresholds means that real wage growth for the poorest will be obliterated.

We have council tax going up by 5%, food going up by 4.5%, energy bills up 10%, water bills up 26%, and the Joseph Rowntree Foundation says that those coming off fixed-rate mortgages will be paying on average £1,400 a year extra by the end of this Parliament. There is a similarly poor picture and outlook for renters. Taxes and bills are rising faster than wages, so the question remains: what else do you think is needed over the next year or two so that everybody is enjoying higher living standards by the time of the next election?

The Prime Minister: I will just concentrate on two aspects of that, first the income side and then the cost side. On the income side, we have already pulled the lever of increasing minimum wages, which effectively means, on average, around £1,400 extra to 3 million of the lowest paid. And there are above-inflation increases for standard rates of universal credit.

On the flipside, free childcare is coming on stream from this September, across the board, from nine months through to school-starting age. Free school meals are also being rolled out, as are breakfast clubs and limits on what you have to pay for school uniforms.

The warm home discount, which is £150 per household, will go from 3 million to 6 million households this winter, so I think there are things that Government have done and will continue to do, but in the end the central focus has to be on creating more wealth and making sure that we have a growing and thriving economy. That has been the single biggest failure of the last 14 years, as we have not had an economy that has grown in any significant way.

Q39 Liam Byrne: These are all important steps forward, but having reviewed everything you have announced, the Resolution Foundation said that the poorest half of households, by the time of the next election, will still be £200 poorer than they were last year. The question remains: over and above what you have announced, what else do you think is needed in order that everybody in our society is enjoying higher living standards in a

couple of years' time?

The Prime Minister: I think we need a central poverty strategy. We are putting that around the child poverty strategy, which we are rolling out in the autumn.

- Q40 **Liam Byrne:** But you could cut people's taxes. If we taxed investment income in the way that we do work, and tweaked up capital gains tax so that it was fairer, there would be enough money to deal with the fiscal pressures that we have forecast and deliver a big, bold working-class tax cut, just as they delivered in Australia. Surely that should be an idea that remains on the table going into the Budget.

The Prime Minister: I am not going to be tempted to start speculating on what might or might not be in the Budget. It is going to come in the autumn. We will get the forecast. The Chancellor will set out her decisions according to that forecast, but I am not going to be drawn into speculating on what that might be at this stage.

Liam Byrne: Well, Chair, the Prime Minister did not rule that out, so I will take that as a win and quit while I am ahead.

The Prime Minister: We are in for a long six months, because no Prime Minister or Chancellor ever says in advance what is going to be in the Budget, and every day there will be a story saying "He doesn't rule out" whatever the long list of things is.

Chair: Absolutely, Prime Minister; we are very aware of that.

- Q41 **Steve Barclay:** Prime Minister, you have just been at pains to point out to Mr Byrne how much you are spending on different things. In May, the Government borrowed the second highest amount—£17.7 billion—since records began, with only peak covid in May 2020 being higher. Do you expect borrowing this year to be higher or in line with forecasts at the Budget?

The Prime Minister: In line with forecasts. There have been monthly fluctuations, usually for global reasons, as you will have seen in a number of other countries, but we also have our over-arching fiscal rules in place, which are iron-clad—one of them relating to borrowing as a proportion of debt.

- Q42 **Steve Barclay:** Tomorrow we will get both the June figure and the figure for your first year in government of how much you have borrowed. Are you expecting that to be in line with what was set out in the Budget?

The Prime Minister: I will see what the figures are tomorrow. I think every month this year there have been fluctuations, broadly driven—I think generally accepted as driven—by events that are happening globally, and almost capable of being tracked to them day by day, but I want to be in line with the forecasts, and we have the fiscal rules in place to ensure that we are in line with the forecasts.

- Q43 **Steve Barclay:** Well, the spending decisions we are talking about were not global factors; they are national decisions. At the spring statement,



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the OBR found that there was a £14 billion deterioration in the fiscal forecast—the fiscal outlook—between the Budget and the spring statement. Industry analysts are predicting a similar amount of deterioration ahead of the Budget. Again, is that something that you would reject?

The Prime Minister: My experience so far has been of different predictions almost on a weekly basis as we get into the final stages of the Budget, which is why it is important to see them over a slightly longer term, and see what precisely those forecasts are when we get to the autumn. I do not say that frivolously. I was very concerned only a few weeks ago, when the conflict in the middle east looked like it was going to escalate rather than de-escalate, about the impact that would have on oil prices, and on our economy as a result. Therefore, I do think it is important for us to see this over a slightly longer term. We are tracking it, as you would imagine, very closely.

- Q44 **Steve Barclay:** People would expect slight variations; what I am trying to tease out is whether there is a trend. You are rejecting, for example, pretty widely accepted industry analysis that there is an expected further deterioration. For example, ING has predicted a further £14 billion. You are saying that is quite wide of the mark.

The Prime Minister: Let's see what the OBR's forecasts are in the autumn. As I say, my experience is that those forecasts change on a pretty regular basis, often according to external factors, and trying to guess now what the forecast might be in the autumn is fraught with all sorts of difficulties.

- Q45 **Steve Barclay:** In terms of consistency, then, given that other things change, is it reasonable to say, with regard to the fiscal headroom that you set out, that as a point of principle you feel that there should be a reasonable amount of fiscal headroom?

The Prime Minister: Yes.

- Q46 **Steve Barclay:** You took measures to restore the headroom in the spring statement. Was that because the fiscal headroom you put in in place at the Budget was insufficient?

The Prime Minister: No, I don't think so. I would gently point out that the fiscal headroom we put in the Budget was considerably more than the last Government put in their last Budget by some measure, but then there was a lot of fluctuation in the early part of this year, particularly with conflicts in different parts of the world. Also the immediate after-effects of the tariff decisions that were being taken, for example, in America, had an impact, and it was right, in my view and the Chancellor's view, that we retained the fiscal headroom, which is what we did.

- Q47 **Steve Barclay:** Okay, so even though the headroom in the Budget was insufficient, and you—in my view rightly—took measures in the spring statement to restore it, the OECD were wrong in what they said last month, pointing to how thin the fiscal headroom is. Again, you feel that the industry analysis is incorrect, and you see warnings from the likes of



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the OECD as incorrect in terms of suggesting it is way too thin.

The Prime Minister: No, I am not saying that they are incorrect; I am just saying that it is important for us to look at it in the round and over a slightly longer period. I think it is important to have that headroom, which is why we put it in the Budget last autumn, and why, in the spring statement, we took the opportunity—duty—to put that headroom back in, which is what we did.

Q48 **Steve Barclay:** The OBR found that of the 21 forecasts that they have done since 2010, all but one was overly optimistic. Are you confident that the OBR forecast at the Budget will not be over-optimistic this time?

The Prime Minister: I don't know. That is a matter for the OBR. They make the forecast; they are there for a purpose. We obviously take what forecast they put in place and act accordingly.

Q49 **Steve Barclay:** What I am interested in is decisions you have taken, for example on welfare, where the IFS put the figure at, I think, over £3 billion, and on winter fuel, where your own Government figures put the cost as an additional £1 billion. There will be known pressures from decisions that you have taken, which will be coming in the forthcoming Budget. What I am interested in is the trend of warnings about a fiscal headroom that was insufficient—you have already had to take measures to restore it—and warnings from industry. Again, without getting into writing a Budget ahead of October, I am interested in the trends and whether you are concerned about those gaps.

The Prime Minister: No—I am, Steve. You have been in this position preparing for Budgets, and you will know the experience, which is that there are forecasts that, as you lead into a Budget, in the end come on a weekly basis and fluctuate week to week—literally. Therefore, my experience of the Budget and the spring statement is to focus intensely on the forecasts when we get them and prepare for them now according to our fiscal rules, which is what we are doing.

Q50 **Steve Barclay:** Would you accept the size of the gap we are talking about is more than mere fluctuations?

The Prime Minister: Look—back in the autumn, the OBR predicted one thing; by the spring they predicted something else. By autumn, they will give their prediction going forward from there. We have to work from that forecast.

Steve Barclay: It has been consistent in a deteriorating line. That is the concern. It has not been fluctuating and getting better for some of the time; it has been consistently deteriorating.

The Prime Minister: Different forecasts forecast different things. Nobody forecast that we would have the highest growth in the G7 for the first quarter of this year, but we did, and I am pleased about that. I think the measures we are taking can create the conditions in which we can improve on that in the autumn and the Budgets thereafter.

Chair: Optimism for the future, Prime Minister.

The Prime Minister: Of course.

Q51 Dame Caroline Dinenage: Good afternoon, Prime Minister. Some 86% of charities say that they are seeing an increased demand for their services. Meanwhile, fewer people and fewer corporations are donating to charity, and their overheads are going up. What will your Government do to support charities?

The Prime Minister: It is important. I think over half of charities have been exempted from the national insurance rises. We are looking at what we can do on business rates, etc., for charities, and to put in the support that they need.

Q52 Dame Caroline Dinenage: Is that it?

The Prime Minister: Well, there are probably other things as well. I will write to you with further stuff.

Q53 Dame Caroline Dinenage: You say that half of charities have been exempted from the national insurance contributions, but there are 44,000 registered charities with an income over £100,000. The National Council for Voluntary Organisations reckons that the NICs increase is going to put their payments at £1.4 billion. When you came into this room you said that tackling poverty is “central to everything that we do”. Those are the organisations that are doing just that in our constituencies. They are tackling poverty on the ground. They are feeding people. They are running hospices. Your NICs hike is one of the causes of the decline—30% of them say that they are cutting staff. Isn’t it time to just offer a blanket carve-out to charities?

The Prime Minister: No, I don’t think it is. On the point about charities in all our constituencies working hard in those areas, I completely accept that. One of the things that we launched last Thursday was the civil society covenant, where we got many, many thousands of charities together and did what we promised in opposition, which was to bring the Government and the charities together in a partnership through that covenant and demonstrate to them the sort of work that we can do together.

I have to say that they felt that that was the first time it had ever happened, with a Government prepared to work with charities in that way. It was a very good thing: it was very well received and was an example, to my mind, of the sort of partnership working that we are going to have to have in this country if we are to bring about the change that we need to bring about at the speed we have available. We must always remember that we inherited both a broken economy and broken public services. No Government has inherited that combination for decades and decades and decades, and it is a very difficult working environment.

Q54 Dame Caroline Dinenage: Yes, but you are now attempting to break our charities. Just this month, Marie Curie hospice in Liverpool closed its in-patient unit permanently. Your civil society covenant will not put charities



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on a good financial footing by itself. You need to offer them a carve-out for this national insurance rise. Quite simply, it is breaking them—30% of them say that they are cutting staff and only 50% of them now feel positive about the future, Prime Minister. Can't you do something?

The Prime Minister: It is important to bear in mind why we had to do what we did on national insurance: we looked through the books and we found £22 billion missing, and we had to do something about it because that is a serious problem. We addressed that in the Budget and at the same time we used the money from that NICs increase to invest hugely in our NHS. We promised 2 million extra appointments in the first year of a Labour Government. We have done 4.5 million. That takes the pressure off many, many charities.

Q55 **Dame Caroline Dinenage:** I want to talk about charities, and you are basically balancing the books on the back of things like children's hospices.

The Prime Minister: No, we are clearing up the mess of the last Government.

Q56 **Dame Caroline Dinenage:** On the back of children's hospices. Charities also depend upon individuals giving generously. Do you know which is the most generous constituency in the country?

The Prime Minister: No.

Dame Caroline Dinenage: It is Sheffield Hallam—1.9% of the income of the average constituent in Sheffield Hallam.

The Prime Minister: Well, congratulations to Sheffield Hallam. That is brilliant.

Q57 **Dame Caroline Dinenage:** I know. It is great, right? Do you know which are the three least generous? The three least generous Kensington and Bayswater, Chelsea and Fulham, and Holborn and St Pancras, Prime Minister, each at around about 0.5% of their income—about half the average of the country as a whole. We know that you and your colleagues are not averse to being on the receiving end of a little philanthropic giving. How would you persuade people in wealthy areas like yours to dig a bit deeper?

The Prime Minister: That is the first time I have been presented with those figures. Clearly, in Holborn and St Pancras and other places, we need to up our game and we will do so.

Q58 **Dame Caroline Dinenage:** Have you got a plan to promote philanthropy?

The Prime Minister: First, I had not seen that read-out of figures by constituency before.

Q59 **Dame Caroline Dinenage:** Not just in your constituency but across the country, what can we do to encourage corporations and individuals to support charities a bit more?

The Prime Minister: Oh, I think we should do everything we can to get them to support charities and individuals.



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Q60 **Dame Caroline Dinenage:** Everything we can—like what?

The Prime Minister: We will go to Sheffield Hallam and find out what is happening there that is clearly not happening in Holborn and St Pancras, and take it away as a learning experience.

Q61 **Dame Caroline Dinenage:** Is that something your civil society covenant might be looking at?

The Prime Minister: Yes. One of the most important things is how Government work with charities in supporting what they do. We have had examples of charities rolling out particular initiatives that they have brought to us. One was the Macmillan initiative on giving people guided support to the charities that they might need if they are diagnosed—in that particular case with cancer, but also with other diagnoses. They did that as a local plan. We have taken that now as a nationally rolled-out plan, working with those charities. That is an example of the covenant working together.

Q62 **Dame Caroline Dinenage:** Excellent—good example. Can I move you on to the BBC, because the licence fee is a bit of a regressive tax in itself? What is your view on how it might be reformed? Also, we were promised the BBC charter review at the beginning of the year. What is holding it up?

The Prime Minister: We are going through the review, and it will obviously come to its conclusion. We keep an open mind about what we need to do with the licence fee, but we are working closely with the BBC. We are going through that review.

Q63 **Dame Caroline Dinenage:** Will we see the consultation paper on the BBC charter review before October?

The Prime Minister: I don't know, off the top of my head, but I will certainly write to you and let you know.

Dame Caroline Dinenage: Well, in December we were told that it would be early in the new year. A fortnight ago, we were told that it would be later this year.

The Prime Minister: I will try to get a more accurate date for you.

Q64 **Dame Caroline Dinenage:** Do you know what is holding it up?

The Prime Minister: No. I will try to get you a more accurate date.

Q65 **Ruth Cadbury:** Good afternoon, Prime Minister. In answer to questions on poverty earlier, you acknowledged the need for earnings growth and economic growth to happen across every part of our country. Away from large city centres, people who do not have access to a private car are dependent on minimal and sometimes non-existent local bus services to get to work or training, to take their children to childcare and to get to affordable shops.

In the Transport Committee, we have had evidence to our inquiry on buses that 56% of small towns in the south-west and north-east are complete public transport deserts, and that this lack of buses impacts on



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the growth of those small towns. How are the Government going to ensure that their current bus reforms actually close the gaps around the country in the way that is happening in Ireland, and that the buses Bill does not just prevent more decline in the inadequate status quo?

The Prime Minister: First, I think I am right in saying that more people use buses than any other form of transport, and therefore it is hugely important, particularly in rural areas, but just across the piece, and there is a direct correlation between that sort of travel and building the local economy, so it is vitally important. We did invest a lot of money in the Budget in buses, and the spending review set out I think it was £900 million of investment, but there are also, in direct answer to your question, a number of other measures that we have taken that are important.

Capping the bus fare at £3 until March '27 is really important, but equally, in the Bus Services Bill are the socially necessary services because it is not just the price; it is the route. Too many times in the past, there have been examples of profitable routes having too many buses and non-profitable routes not having any buses at all, so having that provision is very important, as is the expansion of the ability of local representatives—mayors, but also other local authorities—to take more control over the buses in their area, all of which I think will change the landscape here.

Q66 **Ruth Cadbury:** It is true that the buses Bill is changing the governance structures. It is also true that socially necessary routes are identified. Our concern, and the evidence we received, is that that might just about hold the status quo, while many places already have no bus services and many more places have no evening and no weekend bus service. Could I just ask, Prime Minister, that you look at the buses Bill and other potential initiatives available to you to ensure that buses and bus use grows around England outside of London, rather than just stays as it is?

The Prime Minister: Yes, certainly. As I said, we put in quite a lot of investment in the Budget, but you are absolutely right: that needs to do more than maintain the status quo. I don't think it was a status quo—I think it was probably reducing—but it needs to more than stabilise the situation, and improve the situation.

Q67 **Nick Smith:** The Chancellor established long-term measures to boost our economy. The industrial strategy provides important detail, as did the spending review. However, the truth is that some of our former industrial areas are much harder to revitalise. For instance, in the south Wales valleys, almost a quarter of young people are economically inactive. Will the Government look at concentrated regional investment for areas like this? Proud places that once powered our country still need a helping hand.

The Prime Minister: Yes, I think this is really important. Obviously, these are long-term issues in communities that have been overlooked, in my view, for a very long time. There are a number of measures that we are taking that are really important. To give some examples, the Cardiff and



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Newport investment zone will drive growth, particularly in manufacturing in that area—much needed skills, which are transferable.

There is a Newport semiconductor cluster, which will support hundreds of highly skilled jobs. You will be well aware of all the support that is going into Tata Steel—into Port Talbot and Tata, the owner there, which we are working with very closely. I was very pleased to see the electric arc furnace work start just last week, or the week before. In addition to that, to tie it to the previous questions, we also need to invest across Wales, and south Wales in particular, in transport and rail across the region.

Q68 Nick Smith: Thank you for the answer, particularly on Newport, which is very close to the eastern valleys, where I am from, but also, Prime Minister, can we invest in the future in much more localised ways? In the valleys, there are 750,000 people, and they need good support in the future.

The Prime Minister: Yes, absolutely. The transport improvement, the local growth work that we are doing, the empowering of local authorities and working with the Welsh Labour Government are central to that, in terms of what we are doing.

Chair: From Wales to Scotland—I call Patricia Ferguson.

Q69 Patricia Ferguson: Good afternoon, Prime Minister. The Scottish Affairs Committee recently looked at former industrial areas in Scotland, and we have observed that persistent long-term poverty and poor outcomes occur in many of our former industrial areas, particularly those that are not close to major towns. What steps are the Government taking to ensure that the benefits of the industrial strategy reach those communities? What are you doing with the Scottish Government? Also, what is the role of the Scotland Office in helping to deliver the outcomes that we want to see?

The Prime Minister: Some of the levers to deal with poverty are obviously devolved; some are not. The ones that are not, we can operate and pull, and we will—that is the minimum wage, the changes to universal credit, the Employment Rights Bill and some of the other schemes, like Warm Homes. There are things, directly, that the Government can do.

In the Budget last year, we set out the biggest devolution settlement for Scotland—the best part of £50 billion per year—so there is the money there for the Scottish Government to get on and take some of the other necessary measures. I am not convinced that they are doing so. Our job, notwithstanding our political differences, is to work with the Scottish Government to deliver, particularly on good, well-paid jobs in areas that need them. That we are doing. One of the first things I did as Prime Minister was to go to Scotland—in fact, the very first visit, within days—to say to the First Minister that, notwithstanding our political differences, I saw my job as to be delivering for Scotland, and that therefore we would work with him and his Government wherever we could.

Q70 Nick Smith: Hello again, Prime Minister. The best way out of poverty is a good job. In recent years, there has been a cyber-security course in Ebbw



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Vale. Cyber-attacks on Marks & Spencer highlight how crucial this sector is. Archie Norman from M&S outlined the enormous surface attack that companies face, often after the outsourcing and offshoring of cyber-security. Will you consider how the Government and the private sector might collaborate on this to expand technology and cyber-security jobs here in the UK? This could reduce our tech risk and be a pipeline for jobs for younger people for the future.

The Prime Minister: Yes. First, I think that this is a really important issue, because there are very many more cyber-attacks than most people appreciate, and there are serious security risks. Marks & Spencer is an example; there are plenty of others, including concerted cyber-attacks on the Government and on our public services, which we deal with day in, day out. It is in our interests to work both with the private sector, which we are doing, on initiatives in very many constituencies to build up the jobs and develop the skills that are going to be necessary, and with our security and intelligence services and in some cases with our military as well, in terms of the work that we are doing on cyber. This is an area where you can see room for expansion. We put in the money on this at the spending review, because I am very concerned about the increasing risk of cyber-attacks across the board.

Q71 **Nick Smith:** I just want to emphasise, however, this issue of the outsourcing and offshoring of cyber-security. If you could please go back to the private sector about that, I think that that will help a lot across our country.

The Prime Minister: Yes, I will do that.

Q72 **Chair:** Prime Minister, are you specifically looking at promoting cyber training for young people in places like the Welsh valleys to help to build skills in this area, as Mr Smith has highlighted?

The Prime Minister: Yes, there are initiatives—

Chair: Can you give any specifics? I appreciate that you may not have the detail now.

The Prime Minister: I know that there are. I will make sure that they are available to the Committee.

Q73 **Patricia Ferguson:** Many of the communities we are talking about, both in Scotland and in Wales, have had difficulties for quite some time. This is not a new problem. These are obviously very hard-to-reach communities in that sense, but many of them possess quite high levels of manufacturing skill, which we could use to promote the industrial strategy. Are there any specific things that we can point to that would help these communities to get out of this difficulty? As I mentioned earlier, the problem seems to be particularly acute for those communities that are not close to a larger town where they can feed off what is happening and have access to transport links.



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The Prime Minister: Local growth plans are part of the answer to that. Making sure that we retain the skills and the jobs in the places we have them is hugely important. I will give two examples of that.

Grangemouth is an area where we have put quite a significant amount of Government money recently. There is a problem, obviously, with the winding down of the refinery at Grangemouth, but the potential of Grangemouth is a huge opportunity for that community and many communities around it. I see it as a huge opportunity; I think we have 10 strands of work going on to identify the best possible way forward for Grangemouth. We should not see it as some sort of charity case; it is an incredible opportunity in Scotland.

Equally, the work around Aberdeen, as we transition from oil and gas to renewables, has huge potential for using the same pipework for carbon capture as is currently used—going the other way, if you like—as well as the same skills and workforce, for decades to come. There is huge potential in Scotland if we get this right.

I would also add that, thanks to our India trade deal, most whisky distillers in Scotland are saying to me that they are now going to struggle to produce enough whisky to export. It is a problem that they are absolutely loving, but it just shows how the trade deal has a direct impact on that issue in Scotland in particular.

Q74 **Patricia Ferguson:** Interestingly, many of the whisky distilleries will also tell you that they have a problem with being able to provide housing for their employees, but perhaps we do not want to go on to that one at the moment. Do you think that the new jobs coming forward, both from Grangemouth specifically and from the transitioning of the North sea, can keep up with the number of jobs that are being lost?

The Prime Minister: I think they can, but it needs additional work, part of which is about valuing the local supply chain and ensuring that that is measured when contracts for procurement are put out. Particularly at the moment, having secure supply chains in Scotland is vitally important, so one aspect, whether it is in Grangemouth or elsewhere, can then feed a lot of other communities and jobs in quite a wide range of areas, but only if we value the fact that they are Scottish jobs in Scotland. That is where, in my view, the investment and the contract should be, not least because those jobs then support the communities, and those with the jobs are paying tax back into Scotland rather than paying it in another country. We need to value and weigh it in the work that we are doing on contracts in particular, around the main clusters that we are talking about.

Q75 **Andy Slaughter:** Good afternoon, Prime Minister. People of limited means used to rely on legal aid to navigate the criminal and civil justice systems, as I think you know. The 2012 LASPO Act destroyed much of that, leaving an inadequate patchwork of advice and representation and longer delays in the civil courts, which is the subject of a Justice Committee report published today. No one is expecting the Government to suddenly restore the billions taken out of legal aid, but is there a comprehensive plan for



ensuring access to justice, or will this be more of a patch-and-mend job?

The Prime Minister: It is a massive problem, as ever. No Department that we inherited is anything other than broken. We are putting more money in. We are focusing first on the criminal side—putting in more money on legal aid because, as you will know, there are terrible backlogs in our courts and we have to sort that out, with more money going in—and then on things like housing, where within the civil sphere there is a particular problem. There is more money going in; it is focused in that way, but we are looking at a broader review of how we can have better and quicker access to justice, because it is far too slow.

Q76 **Andy Slaughter:** We have terrible reoffending rates in this country. People leave prison without a job, a place to stay or support for addiction and mental health. Some become a nuisance on our high street, committing further offences and quickly finding themselves back in prison. While you are building new prisons and substituting control and punishment in the community for custody, what plans do the Government have, by reducing reoffending, to cut the numbers committing criminal offences and stop the revolving door that destroys the lives of victims and perpetrators alike?

The Prime Minister: The first thing is more mental health and substance abuse support while people are in prison, which we are putting in and which does make a difference. For those who are out of prison and serving their sentences in the community, we have launched an initiative with councils to bridge them into well-paid work at the end of that part of their sentence, which is shown to have material support. We are then putting a better package of support around those actually leaving prison, when they do leave prison. Those are the three things that we are doing at the moment.

Chair: We will now move on to discussing some of the international issues that you have been dealing with, Prime Minister. Andy Slaughter is going to kick off with that as well.

Q77 **Andy Slaughter:** A slight change of tack, Prime Minister. Every day, it is clearer that the civilian population of Gaza is being starved, killed and displaced in a systematic yet indiscriminate way. The steps that the UK has taken thus far have had no effect on the criminal actions of the Israeli Government; indeed, these have accelerated and spread to the west bank. What further steps will the Government take to protect Palestinians from mass killing and destruction of their homes and communities? Will they include recognition of Palestine as a state and acting on our obligations under the ICJ advisory opinion?

The Prime Minister: First, in direct answer to the first part of your question, we need a ceasefire and we need it straightaway, because that will create the space for the remaining hostages to be released. They have been held for a very, very long time. It will create the space for aid to get in at speed and at volume, which is desperately needed. Equally importantly, it will create the space for a political process, which to my



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mind is the only long-term way to get a sustained peace in Gaza. We must not forget what is happening in the west bank as well.

In answer to the second part of your question, it is important that all countries, including ours, play a leading part in bringing about the peaceful settlement that we want. On the question of recognition, we are, and have been for a long time, committed to that as part of the process—as a contribution to the peace process at a time most conducive to the prospects of peace. We are working with others on how we get from where we are now to a two-state solution, which is the only viable option, to my mind. We need to use the coming weeks to push further on credible plans for the next phase of Gaza. If we get to a ceasefire, we need to push past that and on to better regionally supported reconstruction efforts and supporting of the Arab plan. I think we should play a leading part in that.

- Q78 **Andy Slaughter:** You began by talking about a ceasefire, which is absolutely right, because that is the sine qua non. However, we hear a lot of words—I understand that there has been another statement today, a joint statement with 25 countries—but people are asking for action. You must hear that—certainly the Foreign Secretary hears it every week in the House of Commons—but we have yet to see any steps that have led the Israelis to take action on a ceasefire. Indeed, the opposite is the case: every morning brings new horrors, new atrocities, new displacements and new deaths of civilians queuing for food. People are looking to you and to this Government to try to provide something that makes that ceasefire happen. What will that be?

The Prime Minister: First, let me be clear: the situation on the ground in Gaza is intolerable, on so many levels, and we make that absolutely clear in all of our exchanges with Israel and with other countries. Whether that is the deaths of those who are queuing for aid, or whether it is the plans to force Palestinians to live in certain areas or be excluded from certain areas, they are all intolerable and absolutely wrong in principle.

We have taken action, as you know, in terms of sanctions and in terms of what we are doing with arms sales, and we are working hard with allies to ensure that we bring about a ceasefire. That is not straightforward, as you will appreciate. It is important that we are working with the Americans on this, as you would expect, but we need to get to that ceasefire to create the conditions for everything else that needs to happen. We will continue to do so: it is a really important part of the work that we are doing on a day-to-day basis.

- Q79 **Andy Slaughter:** Do you think we should have responded to the advisory opinion by now? It has been over a year since it was issued.

The Prime Minister: Well, there is a lot in it. We are working through it, and we will respond in due course.

- Q80 **Emily Thornberry:** No one can deny that our relations with the Europeans are a lot better than they were a year ago. They are much warmer. We have had the state visit of Macron, we have had Chancellor Merz and his new treaty, we have the E3 and we have a European summit



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that was a great success. Since we are on a roll, what are we going to do next? If we can agree food standards with the Europeans, at the next EU summit, can we agree some others? Can we agree something on medicines or chemicals, or anything else, really?

The Prime Minister: First, I do think that we have made real progress, and I am pleased that we have. We said that we would reset the relations with our partners in Europe, and we have done that through a successful summit in May. That had 10 strands to it, including an SPS agreement that will mean lower prices in supermarkets across the country, but also really important work on defence and security. In addition to that, we have led, with the French, the coalition of the willing, which has shown our ability to pull allies together in response to the conflict in Ukraine. And there is that strong E3 nucleus, if you like; as you say, we had Chancellor Merz here last week and President Macron the week before. That core E3 is now much stronger than it has been for some considerable time.

In answer to your question, I think the summit is to be a yearly summit, and it is iterative. It is not just to monitor what we have agreed; it is to go further. To take up your example of medicines, I would like to do more and more on medicines. There are other areas where I think we could and should go further; I think many creative people who are crossing borders for their artistry, their music or whatever it may be, on a temporary basis—they are not going to another country for any significant period of time—are still finding it too difficult to get in and out of countries. I hope we can make some progress there.

Those are not the only areas, but these are common-sense changes that we could make to our arrangements with the EU, which in my view had very little to do with the vote in 2016, and where, by resetting the mood in Europe, we now have a chance of going further.

Q81 **Emily Thornberry:** What would a better relationship with the European Union look like, in terms of defence?

The Prime Minister: First, we need to ensure that the commitments to spend more are common across Europe, which I think we are doing—we certainly achieved that at the NATO summit—but then we need to do more than that. If we are going to all spend more on defence, we need to co-operate and co-ordinate in how we are bringing about the capability. That was intensely part of the discussion with the Chancellor of Germany last week and with President Macron: how do we three countries in particular co-ordinate?

You will have seen that when President Macron was here, we agreed that on nuclear, for the first time, we would look at how we might co-ordinate better. I am absolutely clear in my own mind that NATO has been the cornerstone of our peace for decades. If it is to continue to be—and it is our duty to make sure it is—it requires some more heavy lifting from the Europeans. That is why I led from the front in trying to get others into the place of co-operating and co-ordinating more on the capability. We can learn a lot from Ukraine. A lot of capability was made available to Ukraine,



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but actually it was not as useful as it could have been, because in years gone by there was not that level of co-ordination. I think we can fix that now.

- Q82 **Emily Thornberry:** Can I ask you about something else in relation to defence? I think we have to ask you about that shocking data breach on Afghanistan. Do you think that there was a better way in which the previous Government could have dealt with the data breach? Do you think that a super-injunction was the right way?

The Prime Minister: Well, it was a shocking inheritance. We inherited the breach, we inherited the injunction and we inherited a secret scheme. In answer to your question, a number of us were quite uncomfortable about that, which is why we set up the review to ask whether it is necessary for these arrangements still to be in place. That review, the Rimmer review, produced an answer, which was no, and therefore the injunction was lifted. As you would expect, we put in place other measures to ensure that data is more securely held in the MOD, but it was a breach that we inherited. I think the Defence Committee is looking at it now, and I hope that members of the previous Administration will appear before that Committee and give their explanations.

- Q83 **Chair:** I just wonder why it took a year to unpick this super-injunction. Can you give us any more information about that timeline?

The Prime Minister: Yes. It was a very complicated review. Having got into the situation where lives were potentially at risk, I wanted the review to be as careful as it could be.

Chair: Sorry: you undertook the review because you were uncomfortable about the super-injunction—

The Prime Minister: Yes.

Chair: But you wanted to know what the impact of removing it would be.

The Prime Minister: Of course. That was a risk assessment that held people's lives in it.

Chair: So that was a decision made on entry into government.

The Prime Minister: Well, pretty soon afterwards.

- Q84 **Chair:** Just to be clear for the record, you were first briefed as Prime Minister, not as Leader of the Opposition.

The Prime Minister: I wasn't briefed as Leader of the Opposition. It was not offered to me. To be fair to the last Government, they did offer me briefings on most things; as it happens, they did not offer a briefing on this, but I am not complaining, as such, that I did not get offered it. To be fair, I did get offered briefings on quite a regular basis.

Chair: Okay. It was just for the clarity of the record.

- Q85 **Dame Chi Onwurah:** Good afternoon, Prime Minister. The Science,



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Innovation and Technology Committee published its report on social media, misinformation and harmful algorithms this month. Basically, it identified that the online safety regime that the Government inherited is not fit for purpose: it is unable to tackle the spread of misinformation and it cannot keep British citizens safe online. Can you promise my Committee and everyone whose lives are impacted by the viral spread of algorithmically amplified misinformation that the ongoing discussions on a trade agreement with the USA—or, for that matter, the forthcoming visits of Vice-President Vance and President Trump—will not prevent you from taking the action that is urgently needed to keep British people safe online from misinformation?

The Prime Minister: I would say two things about that. First, the next tranche of protections under the Online Safety Act are coming into force imminently, and we need to look at how effective they are, but I agree with you that we need to go further than that. In all our analysis and the work that we are doing, we have to focus on our national interest—what we need to do to keep our citizens safe and make sure that our electoral system and democracy work effectively. I was very worried at the last election about misinformation, and I am very worried about the potential for misinformation in future elections in this country.

Q86 **Dame Chi Onwurah:** Thank you, Prime Minister. The Online Safety Act, specifically, does not address misinformation. There was clear evidence—

The Prime Minister: No, but there are provisions within it on harm, which are coming into force imminently.

Q87 **Dame Caroline Dinenage:** The BBC is the most trusted news brand around the world, yet financial pressures have meant that where the BBC World Service has cut services, those gaps are backfilled by Chinese state media and Russia Today. That has a direct, positive impact on favourability towards them. Do you agree with the Minister who said to my Select Committee that the BBC World Service bolsters national security and global security? If you do, do you think more Government Departments should contribute to fund it?

The Prime Minister: First, I agree with the proposition that the World Service is really important. I also agree that, whether it is in broadcasting or other areas, there are other states that are more than happy to step in if a gap is left. Somewhere in my pack, I have the funding arrangements for the World Service, but I cannot put my finger on it at the moment. We need to make sure that we protect the World Service, for those very reasons. It is a matter of national security.

Emily Thornberry: In essence, it has been increased, but not by enough.

The Prime Minister: That is a constant call.

Q88 **Dame Caroline Dinenage:** The inflation that it is facing in some countries is about 30%, and the increase is very tiny. In countries like Liberia, Lebanon and Kenya, where the BBC World Service has pulled out, Russia Today and the Chinese state media have backfilled, so it is really

important to put that on your radar.

The Prime Minister: I will take that away, but I agree with the basic proposition that other countries are very quick to step in if we leave a gap.

Q89 **Dame Caroline Dinenage:** One tiny, quick question: will there be a Department for Culture, Media and Sport after the next reshuffle?

The Prime Minister: Yes, and a Committee to oversee it.

Q90 **Chair:** Prime Minister, at the beginning of the session you set out what you wanted the country to look like, and you have answered a number of questions about how you might achieve that. There has also been lots of discussion about shake-ups at No. 10. Given what you have laid out and the challenges that the country faces, do you think that there may be a benefit from bringing in ideas from outside No. 10 and Whitehall? If so, how are you proposing to do that?

The Prime Minister: I think there is always room for bringing outside ideas into No. 10. Whether that is from the private sector—particularly those running businesses—or our mayors or local representatives across the country, or whether it is by making better use of parliamentarians, there is always room for improvement and bringing in the ideas of others. I think that where people have experience on the ground, it is invaluable to hear what they say about what we are doing or proposing to do, and to take that on board.

Q91 **Chair:** When you were in front of us at Christmas, you had done five months; now you have done a year. Given what you have just said, is there anything that you would have done differently, sitting where you are now and knowing what you know, compared with 5 July 2024?

The Prime Minister: We had the most terrible inheritance. I know that some people do not want to hear it any more, but Blair inherited an economy that was getting better but public services that were broken; Cameron inherited good public services but the '08 crash; we inherited broken public services and a broken economy, so we had to take some difficult decisions in year one, and I am not surprised that it has been hard in places. At the same time, we have delivered incredible numbers—

Q92 **Chair:** Are you saying that you would do nothing differently? You have just talked about bringing people in from outside Whitehall to help to shape the agenda. Is that something that you want to do more of?

The Prime Minister: Well, yes, but if I may carry on, we have done 4.5 million extra appointments on the NHS. That is remarkable. Nobody thought it could be done. We have a 10-year plan for the NHS—

Q93 **Chair:** Just going back to my question, you have talked about wanting to engage with Parliament more, for example. Over a year, you have had the chance to do the biggest job in the country, which is a huge challenge. Is there anything where you would have taken a different approach, now that you have sat in the hot seat for a year?



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The Prime Minister: I think we could engage Parliament more—I do not doubt that—but I do think that it is important for us to remind people of the improvements we have made to the NHS, what we have done on free school meals, breakfast clubs, childcare and school uniforms, what we have done in terms of the investment that we have put into road and rail, and the fact that we got three trade deals with countries with which many Governments had tried to get deals but did not achieve them. Our £120 billion-worth of inward investment is an all-time record. Sometimes, one of the mistakes we make is not shouting loud enough about what we are achieving. We in the Labour party focus on the—

Q94 **Chair:** From that list of achievements, what has been your best moment in the last year as Prime Minister?

The Prime Minister: Oh, walking into Downing Street and taking up the job of governing. I would not swap a single day in government for years and years in opposition.

Q95 **Chair:** What about your worst moment in the last 12 months? Every Prime Minister has challenges, both good and bad. What is the most difficult thing that you have had to deal with?

The Prime Minister: The worst thing was when my brother died, which, for me, brings the private and the public into a very tense conflict. That was difficult.

Chair: Thank you for your time, Prime Minister. We hope you get a bit of a break over the summer.

The Prime Minister: I think you said that last time.

Chair: I say that hopefully every time, to every Prime Minister.

The Prime Minister: I thought that at the beginning of the summer holidays last time and it did not work, so I am not saying anything this time.