

My speech during the debate on the Budget, 8 March 2017

John Redwood (Wokingham) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests.

The good news is in the forecasts. I am delighted that the Government have gone back to the forecasts they put to us in March 2016, when they rightly said that the UK economy would grow by 2% in 2016, and by little over 2% in 2017. I welcomed those forecasts at the time and held to them throughout the past year. I am delighted that the Treasury has now largely backed those more sensible forecasts.

However, we need to ask why the Treasury, the Office for Budget Responsibility, the Bank of England and many other independent forecasters got the forecasts so comprehensively wrong in the summer of 2016, and why the autumn statement forecasts were still so wrong at the end of last year. I wonder whether we need some efficiency improvements in their economic forecasting departments. Do we really need all those forecasters in the OBR, the Treasury and the Bank of England, if they are going to get it so comprehensively wrong and make the Chancellor's job so difficult? He is trying to chart a consistent and stable course through a set of forecasts that are rather like a wild ride to some kind of nightmare world, only to discover that there is no nightmare but rather a good outlook.

Alison McGovern (Wirral South) (Lab): The right hon. Gentleman says that we ought to get rid of forecasters in the OBR and the Bank of England if they get the forecasts wrong. Plenty of modellers and forecasters in the City of London got their forecasts wrong before the crash in 2008, but I am sure he does not believe that we should end the banking trade in the City of London.

John Redwood: I do not think that the hon. Lady was listening to what I said. I asked whether we have too many of them, because we do not need quite so many to get it wrong; I think that we could be more economical in getting it wrong, if that is what they persist in doing. Certainly, the official forecasters completely missed the banking crash of 2008-09, which some of us did not miss. Then, of course, they got the Brexit impact completely wrong. The Scottish National party is redefining what it believed at the time of the remain campaign. I remember quite clearly it supporting a campaign that said, in terms, that those official forecasts were right—that confidence would be damaged, and therefore consumer expenditure would fall, whereas it has actually gone up very strongly. It said that investment would collapse, but it did not, because the demand was there, and companies need to meet it.

George Kerevan (East Lothian) (SNP): I clearly remember being in the Treasury Committee when we interviewed the Chancellor, and clearly remember holding him to account for his bogus forecasts, which were clearly over the top, clearly bound to turn people off and clearly led to the wrong result on 23 June.

John Redwood: I am delighted that the hon. Gentleman shared my scepticism. I just wish that he had said rather more at the time when we were fighting the referendum campaign, because I do not remember him being on my side or making similarly helpful comments before people went to vote.

Mark Prisk (Hertford and Stortford) (Con): One of the difficulties I found when I was Minister with responsibility for construction was that statistics from the Office for National Statistics are often incomplete and based on only partial information. Does my right hon. Friend agree that if forecasts were more infrequent, we might get the numbers right more often?

John Redwood: That might be worth looking at. We need to consider why the forecasts went so comprehensively wrong on this occasion. We also need to probe further why they went so wrong in 2007-08, when they disrupted the world economy in the west. They disrupted the Labour Government very dramatically, because there was absolutely no foresight about the consequences of the actions they were taking over the banking system, first allowing it to expand too fast and then collapsing it far too quickly, with awful consequences, as we know. I am delighted that I can fully support the Government's latest forecasts, because they are in line with where I have been throughout.

That brings me neatly to the monetary situation. The Government need to recognise that there is a new move afoot. We will probably see an interest rate rise in the United States of America next week, and we might see two or three rises of 25 basis points over the course of this year, because it recognises that its recovery is sufficiently advanced. There is quite a bit more inflation in the American system, and it needs to start to normalise interest rates a little more. We might even hear from the European Central Bank tomorrow that it is no longer thinking of cutting rates further; they are already negative. It might need to think in due course about tapering its rather generous quantitative easing programme.

We are moving into a world where interest rates tend to go upwards, rather than going downwards or staying stable. If we are too slow in responding to that mood, we will find undue pressure on the pound. I do not think that has anything to do with Brexit; I think it is to do with interest rate differentials. The pound started to fall away in the summer of 2015, and most of the devaluation we have seen to date actually took place by April last year, before the vote, but there has been more pressure in recent weeks. When people look at these interest rate differentials, they will say, "Why don't I hold my money in dollars? Not only will I immediately get a pick-up in interest, but I think there will be further rate rises in America." We need to factor that in. That is why I welcome the Government's decision to increase public spending in certain areas. As a constituency MP, I want more money spent on social care. I represent a high-cost area of the country, where the shoe is pinching and there are more people needing that assistance. The Government were right to make a sensible contribution, and I look forward to seeing the details.

Stella Creasy (Walthamstow) (Lab): Will the right hon. Gentleman give way?

John Redwood: I am running out of time, so I cannot take any more interventions. I welcome the decision to have more money for schools and the NHS, because there, too, my area has been poorly funded for many years. We are looking forward to getting a much better settlement for our schools under fairer funding, and I hope that there will be something for our schools as a result of the Chancellor's sensible decision to make some increases. I think that colleagues will generally welcome the Government's attention to schools, the NHS and social care funding. I hope that the rate relief fund will be generous, because I represent an area where there are likely to be substantial increases in the rates, but where businesses are not necessarily generating the extra turnover that makes it easy to pay those sharp increases. We particularly need to look after small and growing businesses. I hope that the fund will be well targeted and will deal with what will otherwise be a series of tough, hard cases.

I welcome the extra spending and relief on tax, because I am not as worried as some about the level of UK debt. We need to remember that the figures the Government are giving us are for the gross debt. They are saying that the debt, at 86% of GDP, is high and needs to be brought down, but of course quite a bit of that debt is owned by the Bank of England on our behalf, so we owe the money to ourselves. The adjusted figure is about 65%, which is a perfectly reasonable level, particularly at a time of very low interest rates. Whatever happens with advanced country monetary policies, we all think that interest rates will remain abnormally low for quite a long period of time—well below the averages we were used to before the banking crash.

This is not a bad time for the state to borrow, particularly if it is investing in projects that we need and that may have some return. We definitely need better transport and strengthened broadband, much of which can be done by private finance. We also need better flood control and, at the same time, more water reserves for the fast-growing areas of the country. We need a lot of extra housing, which brings with it the need for more provision of schools and hospitals.

If we are to carry on growing at something like the rate at which we have done in recent years, we have to accept that there is a backlog of infrastructure requirements—everything from roads to water supply, through to getting our broadband up to speed and sufficient in capacity. I want as much of that as possible to be financed in the private sector, and a lot can and will be, but the Government have an important role in all these areas. They have to offer licences and organise planning permissions. They may need to pump-prime. Parts of the networks may not be financially viable without Government money. That is certainly true of our road system, because we have a system that is free at the point of use, owned by the state in all its manifestations. As we need better roads, Her Majesty's Government clearly need to invest a decent amount in roads.

I note that the Budget was mercifully short of measures on the tax side, although I am always in favour of measures that cut taxes, rather than increase them, and I would have welcomed rather more of those. The Chancellor understandably wishes to go to having one Budget a year, in the autumn. We look forward to a Budget that deals with taxation in the autumn. He has set

out a number of ideas for consultation, or perhaps pre-announcements; I trust that there might be some modification to those by the time we get to the proper Budget in the autumn. I urge him to understand just how crucial flexibility is to our economy, and that flexibility comes from having so much, and a growing volume of, self-employment. We need to ensure that it is as easy as possible to get into self-employment, and that it is as worthwhile as possible when people are successful.

I always think it is a good idea to try to confine taxes, and certainly tax rises, to things that we do not approve of very much. We have quite a number of sin taxes, which are rather easier to sell to the public. We should not go out of our way to tax work, enterprise and success. I know we have to do some of that, because we need a lot of revenue for the range of public services we offer, but our taxes on those things are quite high enough. We might actually find that we raised more revenue from more work and more enterprise if the rates were lower, because there is definitely a beneficial effect if we can get our rates to a competitive level worldwide. We need to understand that other countries around the world are getting the idea of cutting tax rates. The new President of the United States of America is working with Republicans on the hill on a major set of tax proposals that could cut American corporate tax rates and income tax rates dramatically, which would give America an important competitive advantage and make it a much more attractive place for talent and inward investment. We need to bear that in mind as we go into our autumn Budget cycle here, because I want the UK to be the most competitive major economy in the world.

My last point, in response to the previous speaker from the Scottish National party, the hon. Member for Dundee East (Stewart Hosie), is that he should not start painting this picture of misery and collapse in three years' time, given that there was no collapse immediately after the vote. Were we to end up on World Trade Organisation terms, we would collect £12 billion in tariff revenue, which we could give back to businesses and consumers here; other countries would collect only £5 billion in tariff revenue from our exports to them, so we would be better off financially in that transaction. We would also be better off because if countries placed large tariffs on food exports to us, which would be an extraordinary type of self-harm on their part, we would presumably substitute a lot of imported food from cheaper parts of the world.

News story: Royal Navy's first new Offshore Patrol Vessel formally named

The 90-metre warship, which will be tasked with vital counter-terrorism, anti-smuggling and maritime defence duties, was named HMS Forth in honour of the famous Scottish river in a ceremony at the BAE Systems Scotstoun

shipyard.

The ship will soon depart on sea trials before entering service with the Royal Navy in 2018. She is the first of a fleet of five new Batch 2 River-class OPVs being built on the Clyde which are all expected to be in service by 2021.

The work to build HMS Forth and her sister ships is sustaining around 800 Scottish jobs, as well as the critical skills required to build the Type 26 Global Combat Ships, construction of which will begin at the Govan shipyard in the summer, subject to final contract negotiations.

HMS Forth was named by the Lady Sponsor Rachel Johnstone-Burt who, in tribute to Scottish shipbuilding and in keeping with Naval tradition, broke a bottle of whisky on the bow.

Minister for Defence Procurement, Harriett Baldwin, said:

As part of a sustained programme delivering world-class ships and submarines, HMS Forth's naming is a vitally important part of the Government's ten-year £178 billion plan to provide our Armed Forces with the equipment they need.

From counter-narcotics operations in the Caribbean, to securing the UK's borders on patrols closer to home, the Royal Navy's new Offshore Patrol Vessels will help protect our interests around the world.

HMS Forth, the fifth Royal Navy vessel to bear the name over the past two centuries, is affiliated with the city of Stirling, maintaining a connection which began when the people of the city adopted a previous ship with the name Forth during the Second World War.

It is an advanced vessel equipped with a 30mm cannon and flight deck capable of accommodating a Merlin helicopter, and manned by a crew of 58 sailors. Displacing around 2,000 tonnes, she has a maximum speed of around 24 knots and can sail 5,500 nautical miles without having to resupply.

First Sea Lord and Chief of Naval Staff, Admiral Sir Philip Jones, said:

With the naming of HMS Forth, the Royal Navy looks forward to another impending arrival in our future Fleet. In a few short years, these five Offshore Patrol Vessels will be busy protecting the security of UK waters and those of our overseas territories.

They are arriving in service alongside a new generation of attack submarines and Fleet tankers, and will be followed shortly by new frigates and other auxiliaries; all of this capability will coalesce around the Queen Elizabeth-class carriers. Together, they form a truly balanced Fleet, able to provide security at sea,

promote international partnership, deter aggression and, when required, fight and win.

The MOD has invested £648 million in the OPV programme, and its delivery is one of the key commitments laid out in the Strategic Defence and Security Review 2015.

Chief of Materiel (Fleet) for the MOD's Defence Equipment and Support organisation, Vice Admiral Simon Lister, said:

HMS Forth, part of the updated River class of Offshore Patrol Vessels, is one of the most advanced ships of its type and will provide the Royal Navy with the means to undertake vital operations safely and effectively.

The naming is a significant milestone in the life of HMS Forth and in the wider Offshore Patrol Vessel programme, which is well on track to deliver all five of the new ships by the end of 2019.

The Royal Navy currently operates four Batch 1 Offshore Patrol Vessels, one based in the Falkland Islands and three at HMNB Portsmouth, operating globally on tasks ranging from counter-narcotics operations to Atlantic patrols.

Press release: Lord Chancellor marks International Women's Day with Women In Law London

To mark International Women's Day (8 March 2017), the first female Lord Chancellor and Justice Secretary Elizabeth Truss met lawyers from across the capital for an event designed to inspire the next generation of women leaders in law.

The event at Inner Temple was hosted by Women In Law London (WILL), the first ever grassroots network designed to provide talented female lawyers with contacts and mentoring to help them progress.

WILL Advisory Board member and General Counsel and Head of Financial Compliance for Roche UK, Funke Abimbola, led a Q&A with the Lord Chancellor before opening up questions for audience members.

During the evening the Lord Chancellor set out efforts to address barriers facing women in the legal service, following meetings with Magic Circle and

Silver Circle firms, the Law Society and Bar Council on how we can widen the industry's talent pool.

This includes work with the Lord Chief Justice and Lord Kakkar, Chair of the Judicial Appointments Committee, to improve diversity in the judiciary by opening up the High Court to "direct entry candidates", meaning female solicitors and barristers without judicial experience can apply.

Commenting on the event and the need to improve diversity the Lord Chancellor, Elizabeth Truss said:

I am pleased to support the important work Women in Law does to champion women in the legal profession. Our brilliant legal system needs to reflect the diverse nature of our society, and a justice system which represents everyone improves public confidence and trust.

I want to see more women and ethnic minorities in the judiciary and in senior levels of law firms, but I've been clear this is not diversity for diversity's sake. It's about talent for talent's sake.

We want the best and the brightest from every background. If you have the skills, the drive and the talent to reach the top of your profession then it's vital we tap into this so we can continue to lead the world in the increasingly competitive legal services sector.

International Women's Day is a reminder there is more to be done, but my message is clear – when you widen the pool of talent from which lawyers and judges are drawn, you make the justice system stronger.

Suzanne Szczetnikowicz, Chair Women In Law London added:

The huge uptake we've had in WILL membership since our launch in 2014 is a sign of the desire of female solicitors in London to see real change in the profession, to build their confidence levels and to network with like-minded individuals.

Greater diversity of workforce in a service sector business makes for, amongst other things, a more creative approach to problem-solving, flexibility and innovation in policy-making and a wider range of longer-lasting client relationships.

We want to continue to encourage and empower our members individually as well as to drive change at a firm and professional level. Firms and businesses need to ensure that diversity and inclusion becomes a true core value implemented at all levels. They should maintain a dialogue with their women and make sure that they

are not, even unconsciously, opting women out.

The WILL mantra is to promote and engage the next generation of women leaders in law. A large part of this is about moving the needle so that the majority of entrants to the solicitor profession being female for the past 20 years is much more closely reflected in the proportions at the highest levels.

1. Launched in 2014, Women In Law London (WILL) is a network with over 2,400 members and senior legal champions, representing both private practice and in-house lawyers at over 350 different firms and companies. Its ambition is to promote and engage the next generation of women leaders in law.
2. The organisation was masterminded by five London lawyers, Sascha Grimm, Cooley, Suzanne Szczetnikowicz, Milbank, Sophie Bragg, Mishcon de Reya, Ellen Hughes-Jones of Locke Lord and Fatema Orjela, Sidley Austin, to improve the retention of female talent in the profession and help identify barriers to senior partnership.
3. Founded as a network by associates for associates, WILL is supported by an Advisory Panel of senior leaders and partners. For more information on the organisation see: <http://www.womeninlawlondon.com/home.html> / [@WomenInLawLon](https://twitter.com/WomenInLawLon)
4. For more information on our work to improve the promotion of talent in the legal industry see: <https://www.gov.uk/government/speeches/women-in-the-legal-industry>
5. For more information on International Women's Day see: <https://www.internationalwomensday.com/>

Notice: Bawtry Farms Limited: application made to abstract water

The Environment Agency consults the public on certain applications for the abstraction and impoundment of water.

These notices explain:

- what the application is about
 - which Environment Agency offices you can visit to see the application documents on the public register
 - when you need to comment by
-

Press release: Tamworth angler fined for obstruction after fishing illegally

On 7 March 2017 at Nuneaton Magistrates' Court, Michael Hawkeswood of Ealingham, Wilnecote was fined £286 for wilfully obstructing a constable in the execution of his duty, with costs of £172 and a victim surcharge of £30 imposed after a prosecution by the Environment Agency.

Mr Hawkeswood also faced charges of fishing without a rod licence, failing to state his name when addressed by an Environment Agency enforcement officer and using behaviour that is likely to cause harassment, alarm or distress. Mr Hawkeswood received no additional penalty for these charges.

The offences took place on 21 August 2016 at Pooley Park Pools, Polesworth. Mr Hawkeswood was convicted in his absence.

Andrew Eardley of the Environment Agency said:

The majority of anglers fish legally and purchase a rod licence. With an annual licence costing £30 it seems ridiculous that anglers risk a significant fine.

The minority of anglers that fail to buy a rod licence are cheating their fellow anglers and the future of the sport. Rod licence cheats risk a criminal conviction, a significant fine and could lose their fishing equipment.

It's good to see that the courts take instances of obstruction against enforcement officers seriously and that offenders are prosecuted.

Money from rod licence sales is invested in England's fisheries and is used to fund a wide range of projects to improve facilities for anglers including protecting stocks from illegal fishing, pollution and disease; restoring fish stocks through re-stocking; eradicating invasive species; and fish habitat improvements. Rod licence money is also used to fund the Angling Trust to provide information about fishing and to encourage participation in the sport.

You need a valid Environment Agency Rod Licence to fish for salmon, trout, freshwater fish, smelt or eel in England. Buying a rod licence is easy, simply visit www.gov.uk/fishing-licences/buy-a-fishing-licence.

Anyone witnessing illegal fishing incidents in progress can report it directly to the Environment Agency hotline, 0800 80 70 60. Information on illegal fishing and environmental crime can also be reported anonymously to Crime stoppers on 0800 555 111.