

ANDREW MARR SHOW, 24TH JUNE, 2018

JEREMY HUNT, MP

Health & Social Care Secretary

AM: Can I ask you first of all how big is the Brexit dividend?

JH: Well I think they – debate is about the impact on economic growth from Brexit and that's why there is this debate, because the forecasts are different. What no one is doubting is that a £20 billion increase in the NHS budget is significant. And what Theresa May is saying – and I think this is very important on the basis of the interview that you did with her last Sunday, is something very simple. Which is that almost exactly two years ago the British people had a choice; do they want their tax revenues to be paying for subscriptions to EU membership, or on our vital public services, like the NHS? And they said they wanted them to go to public services and it is honouring that decision, made by the British people, that is why Theresa May said that part of the money for the NHS going forward will be those subscriptions that we won't be having to pay to Brussels.

AM: It's the how much that I'm really asking you about today. Can I ask about the first year when this new money comes in which is 2019, 2020. In that year how much Brexit dividend will there be?

JH: Well I don't think we will have very much Brexit dividend because –

AM: Any?

JH: Well, because in the first period after we leave the EU we'll be paying a divorce bill which will be substantial. But going forward of course we will have settled that and Theresa May was very, very clear that there would be an impact on the taxes we all pay. We will find out what that impact is at the Budget. Now why are we not spelling that now, because these things as you know are

always spelt out at budgets but we needed to give the NHS six months to come up with a plan and this is a conditional offer by the government. We've said if the NHS comes up with a plan over the next six months that meets our requirements in terms of a stabilising performance, dealing with some longstanding issues.

AM: So you might not give them this money if the plan isn't good enough?

JH: Well I have to say I'm very confident that the NHS will come up with a good plan, but when we see that plan – they said to us before we can do that plan we need to know how much money's on the table. And that's what we've told them.

AM: If Jeremy Corbyn came into this studio and said, 'I'm going to spend £20 billion extra on something but I can't tell you how I'm raising it,' he would be absolutely crucified. Now as a government, you are currently doing the same thing. We have £20 billion, where's it coming from? We don't know. We will tell you in due course.

JH: Only for a period of months, because the NHS very specifically said to us, in order to do this ten year plan, and I've been saying for a long time that we need to give the NHS stability, a long term funding settlement so that they can make some of these really important changes that they need to make. They said well they need to know how much. So we're telling them how much we would be prepared and we will tell the country exactly how we'll pay for it in the budget.

AM: And you're still saying that some of this comes from a Brexit dividend. Can I read you what the Institute of Fiscal Studies saying about this? You'll probably be familiar with it:

'There isn't a Brexit dividend,' they said. 'If you look at the arrangement we've come to with the European Union in terms of

paying our exit bill and you add to that the commitment the government has already made to keep funding farmers and so on, there is literally arithmetically no money. In addition we know the public finances will be worse as a result of the Brexit vote. The OBR – that's the official government body – has said by £15 billion a year there really just isn't money there for a Brexit dividend.'

JH: Well what the IFS agree with is that we won't be paying subscriptions to Brussels. Where there is disagreement is what the impact on economic growth will be and all I would say is that a lot of those experts have been proved wrong in the past in their forecasts and we actually think that the British economy can get through this very challenging period, but we don't know exactly when and we don't know what the impact is, which is why we're being very clear that yes, there will be an impact on taxes people pay and we will set that out in the Budget.

AM: Let me give you another expert forecast who does agree with the IFS. Said that the figure of the £350 million pounds a week or the £100 million pounds a week on the side of the bus, that figure, said: 'It's not a figure we can bank on with any certainty because even if it did materialise after an exit from the EU it will be negated by the very smallest of contractions in the economy.'

JH: Well, all I would say is –

AM: Do you agree with that?

JH: No, because I think you –

AM: You said it.

JH: You are focusing - no I don't agree with the line of questioning because you are focusing –

AM: But that's your own quote about the effects of leaving the EU on our finances.

JH: And that's exactly what I said before you threw that quote at me which is that there is uncertainty about the impact on the economy of Brexit. But, the real point is that we have a

Conservative Prime Minister who told you on this show last week that the burden of taxes would go up. And the central debate - and this is really important -

AM: But the question is how much though? That's what we went to know. Is the so called Brexit dividend, is it 5% of the 20 billion, or half the 20 billion or almost all the 20 billion? Is it mostly going to come from taxes or not? Those are very, very basic questions.

JH: Andrew, you've been doing this show for a very long time to know that these things are announced in budgets. I've explained to you why we needed to announce what the overall amount for the NHS is, but I think we're missing the really important significance and I just want to say this -

AM: I'm not going to give up on this.

JH: No, that's absolutely fine and I'm not going to give up either, because you have a Conservative Prime Minister who has said that the burden of taxation will go up to fund the NHS. Now the central debate in British politics over the last 20, 30 years has been framed as a choice. Do you want more money in public services or do you want tax cuts? And what we as Conservatives -

AM: And you've always been the tax cutting party and now you're not.

JH: No. What we as Conservatives have said if you can always - you can actually have both of those if, and only if, you take tough and difficult decisions on the economy and those were the decisions taken by George Osborne in 2010 and after that Philip Hammond, and because those policies which were opposed by Jeremy Corbyn but the Labour movement, all sorts of people, but actually they created the 3.2 million jobs, which we are now able to announce an 18% increase in the NHS budget. A significant increase.

AM: And to do that you have to say honestly, income taxes are going to go up.

JH: Well we will say honestly exactly which taxes are going to go up but those things, as you know, are always done in a budget.

AM: Interesting you don't rule that out.

JH: Well, we have to allow the Chancellor to do this in budgets, that's what always happens.

AM: National Insurance. Gordon Brown suggested a 1% rise in National Insurance would do this.

JH: Well of course I'm not going to speculate on that now because what is important now for the NHS is that we have done what they ask, which is we've told them how much money the government will put on the table if we have a good NHS ten year plan. We want the NHS to be the safest and best health care service in the world and we want the country to know that if you take these difficult decisions to put the economy back on its feet, to create jobs, to create wealth, then in the end there is a dividend for public services because as Conservatives we want to reduce the burden of taxation but we also want to have the best public services.

AM: Everyone wants cake the eat it. They want a better NHS but they also don't want to pay extra taxes. They're really interested in what the answer to these questions is. You have said, we will not break manifesto promises. You said that this week. So presumably the government is not going to raise VAT for instance to pay for the NHS, 'cause that was a manifesto promise.

JH: Well of course we are committed to our manifesto, but what we also said in our manifesto is that we want our public services to be the best in the world and the NHS is the most important of all those public services and what we are doing now is honouring

that manifesto pledge that recognises – We have a once in a lifetime change in the pressures in the NHS and you have told me many many times -

AM: I'm looking at the other side now, as you know, so you're not going to –

JH: You've told me many times on this programme that we don't have enough money going to the NHS. We accept that. We've listened to those arguments, we're putting that money in, we want to stabilise the NHS but also for people at home and people in the service who are passionate about the NHS, it's also very troublesome that our cancer survival rates aren't as good as France and Germany. We want to sort out those issues as well and that's what we are now going to be in a position to do.

AM: Can business, business people watching this programme be confident that by 2020 you're going to cut the business rate to 17% as you promised. Corporation tax, to 17% as you promised in the manifesto?

JH: Well what business people want is a sensible Conservative government and they know that a sensible Conservative government does deliver the public services that the British people want and of course don't forget, business people have relatives –

AM: This is an astonishing moment if I may say so.

JH: Well it is –

AM: A Conservative Cabinet Minister is not able to say that having stood on a manifesto which promised Corporation tax would come down to 17% by 2020 that you will honour that promise.

JH: Well I think what you're really astonished about is you've spent most of your political life saying the Conservatives are underfunding the NHS and Theresa May has just proved you wrong. She's put in £20 billion a year. That's a huge big increase.

AM: It's a huge amount of money. I'm just slightly interested where it's coming from?

JH: And she is someone who honours her promises. Well you'll find that out and you'll find that out within the next six months in the Budget and all will be revealed.

AM: When you picked up the paper and you saw that Airbus is talking about leaving this country under certain circumstances if they didn't get the right Brexit, what did you think?

JH: Well I just thought it was completely inappropriate for businesses to be making these kinds of threats for one very simple reason. We are in an absolutely critical moment in the Brexit discussions and what that means is that we need to get behind Theresa May to deliver the best possible Brexit, a clean Brexit and what businesses want and I was in business for 14 years, what they want is clarity and certainty. And the more that we undermine Theresa May the more likely we are to end up with a fudge which will be an absolute disaster for everyone. And so I think she is very clear, getting control of our borders, our laws, our money is what she wants to do.

AM: Indeed. It's not just Airbus, is it?

JH: We need to get behind her.

AM: it's not just Airbus, it's BMW, it's Siemens and then all the business leaders writing to the papers today. Do you think this is all project fear mark 2?

JH: Well I don't think it's particularly surprising. First of all that multinational companies has qualms about Brexit and secondly that at this stage in the negotiations things feel pretty tricky, because you know, the European Commission has got absolutely no interest at all in saying that these Brexit negotiations are going swimmingly well, well done team Britain and we're going to have a good deal. They were always going to be saying that this is going to be very, very tricky. That's part of their negotiating tactics and

we have to stand firm in this situation, ignore these siren voices and get on and support Theresa May –

AM: They're not just siren voices. This is real businesses making real investment decisions right up against it and beginning to feel a bit panicky and very, very worried about the job creating businesses that they're engaged in. What they want to know is when we write these letters, when we make these comments, does the government actually listen at all? Is there any change of tone or policy? Do you get it at all as a Cabinet when business comes to you and says these kind of things?

JH: Well, I think if you look at the approach Theresa May has taken to Brexit so far what you can see is someone who has the instincts of a Brexiteer, but the cautious pragmatism of a Remainer, which is where I think the British people are. And so what businesses want is stability and certainty and that's exactly what she has been doing. That's why she negotiated the transition deal which is the things that –

AM: 'Cautious pragmatism of a Remainer.'

JH: Well and the instincts of a Brexiteer in terms of wanting to get back control of our destiny. And that combination is where Britain is. But she also brings incredible resilience and I would say that we just have to allow her to get on and negotiate this deal because she is the best person to do that.

AM: Business which is worried about no deal or worried about a cliff edge, 'cautious pragmatism' they should be thinking is what we're going to get from the government?

JH: Cautious pragmatism that delivers what the British people wanted. They wanted control of our borders, our law and our money, this is always going to be a difficult period but I'm absolutely sure that we will get there in the end.

AM: Let me ask you about the very disturbing story in the Sunday Times today following the big inquiry into all those deaths. These Graseby syringes, there are 40 thousand similar syringes being used up and down the NHS right now. What are you going to do about that?

JH: Well. The first thing is that the Sunday Times story says that there is some kind of a cover-up and I think we should take the word of Bishop James Jones and the panel who did the Gosport Inquiry. I mean this is the man who took on the British establishment with the huge work he did over Hillsborough and he's absolutely clear that he has looked at everything he wants to look at and there is absolutely no question of him being constrained in his inquiry. But that is not the same as an issue of dangerous syringes, which have been in use across the world. The NHS sent out instructions in 2010 –

AM: Australia has banned them, New Zealand have banned them, we're still using 40,000 of them. Does this need another inquiry, another look at these syringes?

JH: Well, the information I have is that these particular syringes were taken out of service in 2015, but of course we will look very, very carefully at this story and indeed look at whether the NHS did react quickly enough when we first found out about the safety consequences of these syringes.

AM: I asked you about business worried about Brexit. There was a huge march in London yesterday, 100,000 people. Is that entirely pointless or do people like you watch that and have any kind of second thought of where you're going?

JH: Well, we are a democracy and elected politicians listen and what we have to do in government is to make a judgement as to what the British people actually want. And my judgement and I

know the Prime Minister's judgement is that they do want us to deliver on that referendum result, but they want it to be done in a sensible way that protects our prosperity as a nation and that's what Theresa May is getting on and doing.

AM: Two years ago we were sitting together on these chairs and you told me that child obesity was a national emergency. Not a great deal has happened since then. Are we finally going to see action rather than endless discussion and deliberation?

JH: Well, a great deal has happened. We've introduced the sugary drinks tax which has seen around half of manufacturers reformulating their drinks to reduce the sugar content. That's about 45 million kilos of sugar taken off the market. But every parent is worried about this issue and we have a package of measures today. We're doing for the first time something very bold which is we're saying want to halve childhood obesity by 2030 and -

AM: Ask every restaurant, every snack bar, every sausage vendor, every ice cream van is going to have to have the calories that are involved visible to customers.

JH: Well, we're going to consult on precisely how small a business you would need to be to be potentially exempt from that, but certainly all the big chains that we go to they must give people that information and we need to change people's understanding, and particularly parents who want to take responsibility and they need to play their part too.

Ends