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PARLIAMENTARY DEBATES

(HANSARD)

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House of Commons

Tuesday 17 November 2020

The House met at half-past Eleven o'clock

PRAYERS

[Mr Speaker *in the Chair*]

Virtual participation in proceedings commenced (Order, 4 June).

[NB: [V] denotes a Member participating virtually.]

Oral Answers to Questions

HEALTH AND SOCIAL CARE

The Secretary of State was asked—

Covid-19 Testing Capacity

Scott Benton (Blackpool South) (Con): What steps his Department is taking to increase covid-19 testing capacity. [908864]

Damian Hinds (East Hampshire) (Con): What steps his Department is taking to increase covid-19 testing capacity. [908869]

The Secretary of State for Health and Social Care (Matt Hancock): We are processing coronavirus tests on an unprecedented scale and expanding capacity further, having already met our testing capacity target of 500,000 tests a day by the end of October. We now have five Lighthouse labs operating across the UK, with two more announced yesterday, and significant progress on next-generation testing technologies.

Scott Benton: I congratulate my right hon. Friend on the tremendous progress he has made over recent months on increasing our testing capacity, including the delivery of a new site in my constituency. The recent announcement regarding care homes is welcome. How quickly does he think the trial process can be concluded, so that we can roll out a nationwide scheme to ensure that those in care homes can finally see their loved ones again?

Matt Hancock: We have discussed many times in this House the importance of the use of testing because of the terrible dilemma of wanting to keep people safe in care homes, yet also wanting to allow visiting. Testing can help to resolve that. The pilots are ongoing in some parts of the country, and I very much hope that we can get to a position where we can offer testing to enable visiting across the country before Christmas

Damian Hinds: I welcome the testing pilots that are happening, including in Southampton. How will the Government be able to support local authorities and public health teams with the logistics of mass testing, particularly in large rural areas such as Hampshire?

Matt Hancock: Increasingly, the test itself is only one part of getting a high-quality testing system. The logistics around it are also vital. We are already funding local authorities across the country to support them to roll out mass testing, but we will learn from the pilots, including in Hampshire, to see what extra might be needed.

Jonathan Ashworth (Leicester South) (Lab/Co-op): Testing, backed up by tracing and isolation, is key to avoiding further lockdowns. At the Secretary of State's press conference yesterday, we heard that tier 1 has had "very little effect" and that the tiers must be strengthened. Can he confirm that it is the Government's intention to impose a tougher set of restrictions on tier 1 areas post this lockdown?

Matt Hancock: It is too early to do the analysis that the hon. Gentleman requests, but of course, we remain vigilant.

Jonathan Ashworth: We will soon be asked to make a decision on the future of the lockdown, so the earlier we get that information, the better.

Testing for NHS staff is crucial for dealing with the backlog in NHS care. Last week, we learned that 139,000 people are waiting beyond 12 months for treatment. We now know that 252,000 people are waiting beyond 18 weeks for orthopaedic surgery, which is often hip and knee replacements, and 233,000 patients are waiting beyond 18 weeks for eye surgery—many could go blind. People are waiting longer for gynae surgery and heart valve surgery, and many are languishing on trolleys in dangerously overcrowded A&Es. As well as testing NHS staff, Ministers have promised to give the NHS whatever it takes. Can the Secretary of State guarantee that the spending review will deliver the resources, beds and capacity to bring waiting lists down?

Matt Hancock: The good news is that we are managing to continue to drive through the backlog that understandably built up in the first peak. Instead of attacking the NHS, the hon. Gentleman should be backing the NHS and thanking it for the incredible hard work that it is doing right now and will be doing this winter.

NHS Capacity for Winter 2020-21

Mike Wood (Dudley South) (Con): What steps his Department is taking to increase NHS capacity for winter 2020-21. [908865]

The Minister for Health (Edward Argar): The Prime Minister has announced £3 billion to support NHS capacity this winter. Among other things, that money funds our Nightingale hospitals, so that surge capacity is available, and the NHS's ongoing access to additional independent sector capacity. It also supports the safe discharge of patients, helping to reduce pressure on beds. In addition, £450 million of capital funding has been announced to upgrade and expand A&Es across the country, to help prepare the NHS for winter, and that money is already being spent.

Mike Wood [V]: The £3 million announced to increase winter capacity in Dudley is hugely welcome, but will my hon. Friend also look at Dudley's bids for capital funding for a hybrid theatre and reconfiguration of critical care? Will he join me on a visit to Russells Hall,

so that he can see the transformative effect that those projects would have on care for patients in Dudley South?

Edward Argar: I am delighted that my hon. Friend's constituents will benefit from £3 million to increase capacity at Russells Hall Hospital in Dudley as part of the investment to upgrade A&Es ahead of winter. Future NHS capital spending will, of course, be determined at the upcoming spending review, but once our settlement has been confirmed with the Treasury, we will consider carefully how projects are prioritised within it. In the meantime, I encourage the Dudley Group NHS Foundation Trust to discuss its proposals with NHS England and NHS Improvement. I would be happy to meet my hon. Friend to discuss this, because I know how hard he campaigns on this issue, and I would be delighted to take him up on the offer of a visit when I am able to.

Justin Madders (Ellesmere Port and Neston) (Lab): The NHS will only survive the winter if its workforce are valued and supported. The evidence from the British Medical Association to the Health and Social Care Committee this morning was stark. So does the Minister understand how demoralising it is for staff to hear reports that they may face yet another two-year pay freeze? I asked those on the Government Benches to rule this out last week. I got no answer, so I ask them again today: will they rule out a pay freeze for NHS staff?

Edward Argar: I am grateful to the hon. Gentleman. He is quite right to highlight the amazing work that our NHS and social care workforce have done throughout this pandemic, as they do every year, and I pay tribute to them for that. As he will know, the NHS agrees with its staff multi-year pay deals set by independent recommendations, and we continue with that process.

Lateral Flow Covid-19 Testing

Sarah Olney (Richmond Park) (LD): If he will allocate additional funding to local authorities to support the roll-out of lateral flow covid-19 testing. [908866]

The Secretary of State for Health and Social Care (Matt Hancock): In addition to giving local directors of public health access to tests, NHS Test and Trace will provide access to training, clinical, operational and service design guidance, and communication and engagement support. In addition, all local authorities have funding available up to £8 per head of population to support the roll-out.

Sarah Olney: I welcome the allocation of lateral flow tests to both Kingston and Richmond in my constituency to allow for mass testing. Can the Secretary of State confirm whether, in addition to the support he has just outlined for the testing, there will be additional resources to support local tracing efforts and to support those who are found to need to isolate?

Matt Hancock: Absolutely, the funding to support people who need to isolate is in addition to the funding I just outlined, which supports both the roll-out of mass testing and local contact tracing, and we always keep these things under review.

Personal Protective Equipment Supplies

Richard Thomson (Gordon) (SNP): What steps his Department is taking to ensure adequate supplies of personal protective equipment for (a) health, (b) social care and (c) other frontline services during the covid-19 outbreak. [908867]

Martyn Day (Linlithgow and East Falkirk) (SNP): What steps his Department is taking to ensure adequate supplies of personal protective equipment for (a) health, (b) social care and (c) other frontline services during the covid-19 outbreak. [908915]

The Parliamentary Under-Secretary of State for Health and Social Care (Jo Churchill): We have a four-month stockpile of all covid-critical PPE in place. Thanks must go to the tremendous contribution from UK manufacturers, including Honeywell in Motherwell in Scotland, which now meet 70% of our PPE needs. We have distributed 4.7 billion items, ensuring health and care providers and others have access to the critical protective equipment that they need to help keep everyone safe.

Richard Thomson: According to Treasury figures, the UK Government have spent £15 billion to date on PPE contracts, and the majority to date have been awarded without open tendering, often to those with connections to the governing party or to companies with no PPE experience at all. Does the Minister consider it is acceptable that, instead of that resource being used to protect frontline healthcare staff, so much of it has been squandered on millions of items that are absolutely unusable because they do not meet NHS standards, and how does she propose to restore this Government's reputation for competence, probity and openness in the tendering process?

Jo Churchill: The global pandemic presented us with unprecedented challenges in securing the volumes of PPE required. We moved swiftly in order to make sure that we kept people safe. We procured goods and services, and worked with extreme urgency in accordance with procurement rules and Cabinet Office guidance. All offers were prioritised based on volume, price, clinical acceptability and lead time. I am happy to reiterate: we have four months' supply.

Martyn Day: The UK Government removed the zero VAT rating for PPE on 1 November, increasing costs by 20%. Social care and other frontline services are already having to pay higher prices and to buy larger quantities of materials, so why are this Government making it even more expensive to protect key workers during what is the second wave of covid?

Jo Churchill: I would like to thank the hon. Gentleman. In the main, many of our frontline operators are getting it free—social care, general practice, dentistry, optometry and so on. The relief was designed specifically to relieve the burden of VAT on sectors particularly affected by coronavirus while supply did not match demand. Now the Government are able to supply covid-related PPE across all sectors, the burden of VAT will still not fall on frontline providers for all covid-related PPE and demand will be met. Most businesses that make taxable supplies

can recover the VAT that they incur on purchases of PPE as business expenses. They will therefore be able to reclaim all VAT after the 31st. But I reiterate: for the majority of frontline healthcare, it is free.

Dr Rosena Allin-Khan (Tooting) (Lab): The price of an FFP2 mask bought by the Government increased by 1,400% in just six weeks to the end of May and gowns by 350%. I welcome all efforts by the Government to procure PPE, but I have concerns that we may not be getting a fair price. One company, PPE Medpro Ltd, was given Government contracts worth over £190 million. PPE Medpro Ltd had no previous experience and coincidentally was only set up on 12 May 2020. Reports have suggested that the company has substantial links to Conservative party donors, so can the Secretary of State or the Minister categorically assure the country that no Conservative party donors are profiteering from the pandemic?

Jo Churchill: Our plan on PPE has to be to stabilise the system and build resilience. That was outlined in the PPE strategy published on 28 September. *[Interruption.]* Children! Thank you.

Mr Speaker: Minister Churchill, I think that is down to me; you carry on.

Jo Churchill: I am sorry, Mr Speaker, but it is that old habit from being a mother of four.

We procure goods and services, as I have said, with extreme urgency in accordance with procurement rules and Cabinet Office guidance. We are confident of our supply, with four months' worth of covid-critical PPE, over 70% of it now manufactured in the UK, providing UK businesses with jobs and ensuring that all health and care providers have access to critical protective equipment needed to keep patients and staff safe.

Building New Hospitals

Philip Dunne (Ludlow) (Con): What progress his Department has made on building new hospitals. [908868]

Stephen Hammond (Wimbledon) (Con): What progress his Department has made on building new hospitals. [908876]

The Minister for Health (Edward Argar): On 2 October, £3.7 billion-worth of funding was confirmed for 40 new hospitals, with a further eight schemes invited to bid for future funding, to deliver a total of 48 hospitals by 2030. Four in the programme are already in construction, and three others have commenced early, enabling works on site. The hospital building programme is, of course, in addition to significant upgrades to 20 hospitals, which will be complete by March 2024, and is part of a wider programme of investment.

Philip Dunne [V]: I am grateful to the Minister for those clarifications, and I obviously welcome this programme, but before he came into office, in March 2018, his Department allocated £312 million for a major capital programme at the Royal Shrewsbury Hospital and the Princess Royal Hospital in Telford. Now that an independent reconfiguration panel has confirmed that these decisions were properly made and should proceed, the trust is seeking approval from his Department for advance of funds for enabling work by architects, structural engineers and others. Can he confirm when this requested £6.3 million will be forthcoming?

Edward Argar: I am pleased to confirm to my right hon. Friend, a distinguished predecessor of mine in this office, at this Dispatch Box that £6 million-worth of funding has been approved in principle, allowing Shrewsbury and Telford Hospital NHS Trust to develop its plans and produce a business case for this scheme. The Department will continue to work closely with the trust to understand how the right support can be provided centrally to develop an affordable case for the overall scheme and to maximise the impact of this funding, and I will be writing to my right hon. Friend with more detail later today.

Stephen Hammond: The independent reconfiguration panel overwhelmingly backed the plans for the development at the Epsom and St Helier trust; does my hon. Friend agree that the Labour party should take away the threat of a judicial review and allow this investment to take place so that my constituents and the constituents of south-west London can benefit from greater access and better-quality healthcare?

Edward Argar: I am delighted that my right hon. Friend the Secretary of State recently gave these plans the green light following independent advice from the IRP, and I am pleased that this will mean my hon. Friend's constituents and, indeed, many others will benefit from a new state-of-the-art NHS hospital in Sutton. Patients and the public will now be engaged in shaping the detail of the new services; I encourage all local people to participate positively in that process and the council and others to get behind that scheme and that record investment by this Government in his area.

Covid-19: Economic Effect

Kevin Hollinrake (Thirsk and Malton) (Con): What recent discussions he has had with the Chancellor of the Exchequer on reducing the economic effect of the covid-19 outbreak. [908870]

The Secretary of State for Health and Social Care (Matt Hancock): I have regular discussions with the Chancellor of the Exchequer and others. The best strategy for both health and the economy is to suppress the virus, supporting the NHS and the economy, until a vaccine can make us safe.

Kevin Hollinrake: The economic effect of the lockdown on the hospitality sector in particular is severe. In large constituencies such as Thirsk and Malton, the infection rate can vary significantly across different districts. When my right hon. Friend moves us back to a tiered system on 3 December, will he look at allocating tiers by district rather than by county to keep the economy as open as possible?

Matt Hancock: Throughout the process of the tiered system, we have always looked at a level of granular detail, whether at district council level or, indeed, ward level in some cases, to make sure that we have the appropriate

measures in the appropriate places. While it is too early to say exactly how we will proceed from 3 December, that is a commitment that I can make to my hon. Friend.

Dr Philippa Whitford (Central Ayrshire) (SNP) [V]: As I have highlighted previously, covid is spread not just by droplets but by airborne particles, so good ventilation is key to reducing the risk of spread indoors, such as in hospitality. On 20 October, the Secretary of State agreed to speak to the Chancellor about removing VAT from ventilation and air-purification systems to make them more affordable. Can the Secretary of State tell us what discussions he has had with the Chancellor and what the outcome was?

Matt Hancock: There has been work on promoting ventilation in government. The hon. Lady is absolutely right that ventilation is important and that the scientific evidence on the aerosol transmission of coronavirus has strengthened over recent months.

Dr Whitford [V]: If that is the case, can the Secretary of State clarify whether we will hear an announcement from the Chancellor in the near future on supporting the installation of such systems? Even with the good news about potential vaccines, it will be a long time before most of the population are vaccinated, so what is the Secretary of State's strategy to control covid over the coming year?

Matt Hancock: Our strategy is to suppress the virus and support the NHS and the economy until a vaccine can make us safe. Increased ventilation can help to reduce transmission, so it is an important consideration, among many others, for how we tackle this disease.

Covid-19: Dental Services and Mouth Cancer Diagnosis

Rosie Cooper (West Lancashire) (Lab): What recent assessment he has made of the effect of the covid-19 outbreak on (a) access to routine dental services and (b) early diagnoses of mouth cancers. [908871]

The Parliamentary Under-Secretary of State for Health and Social Care (Jo Churchill): This Mouth Cancer Action Month is a timely reminder that everybody should seek advice if they are worried. Early in the first wave, dental services were suspended, but rapidly, over 600 urgent dental centres were set up to deliver care. Since June, dentists have continued to prioritise urgent treatment and vulnerable groups and to provide routine care across the dental network. They have worked hard to restore dental activities, while keeping patients and staff safe, owing to some aerosol-generating procedures that mean we have to take particular care in the dental sector.

Rosie Cooper [V]: I recognise the Minister's comments that people are trying to get back to work in dentistry, but the reality is that there is massively reduced dental capacity; routine dental work is not going ahead as easily as people might imagine. Dentistry also plays a vital role in identifying mouth cancers. Following on from a previous question, I wonder what help the Minister can give dental surgeries to improve their capacity. Currently, they have to have an hour's gap between patients. I understand that ventilation systems are available, which can help, but unfortunately they are very expensive. What help can Ministers give to enable dentists' surgeries to purchase that equipment? Can grants be made available? This is a really urgent question.

Jo Churchill: I recognise the hon. Lady's concern in this area. I assure her that I am working closely with NHS Improvement and the chief dental officer. I have held several meetings over the past week alone, and tomorrow I am meeting the chair of the British Dental Association. Some areas of challenge that she articulates, such as fallow time and so on, are things that we are actively working on at pace, as well as looking at specific testing solutions for dentistry. We are also looking at the issue of ventilation. I am happy to report when further work has been achieved.

Covid-19 Vaccines

Mrs Sheryll Murray (South East Cornwall) (Con): What steps his Department is taking to support the development of covid-19 vaccines. [908872]

Rob Roberts (Delyn) (Con): What steps his Department is taking to support the development of covid-19 vaccines. [908878]

The Secretary of State for Health and Social Care (Matt Hancock): Yesterday, the House will know that we secured 5 million doses of the Moderna vaccine, so we have now secured access to 355 million vaccine doses through agreements with seven separate vaccine developers. We have secured them for the whole UK.

Mrs Murray [V]: I thank my right hon. Friend for that answer. What assessment has he done of the logistics necessary to deliver a vaccine to more rural areas, such as Cornwall?

Matt Hancock: We have done a huge amount of work. The deployment of the vaccine is, of course, being led by the NHS, which reaches into all parts of the UK. Our principled approach is that we will deploy the vaccine according to clinical need in every single part of the UK at the same time. That, of course, includes rural areas. A significant amount of work has gone into how best to deploy to rural areas, especially as some of the people who clinically will need to get the vaccine first are also those who might find it most difficult to travel. It is a very important question on which a huge amount of work is being done.

Rob Roberts [V]: I thank my right hon. Friend and fellow one nation Conservative for his hard work and that of his Department in impossible circumstances this year. Kate Bingham and the vaccine taskforce have done an amazing job in securing so many doses of vaccines, as and when they become available, which will be centrally procured by the UK Government and equally available across all parts of our United Kingdom. Does my right hon. Friend agree that that shows the power of all parts of the UK speaking with one voice and working together for the good of our entire Union?

Matt Hancock: I feel very strongly about this, and I agree very strongly with my hon. Friend. We should take forward this vaccine and ensure it is available fairly

and equally across all parts of our United Kingdom. Of course, it will be deployed in each of the devolved nations through the devolved NHS. I have been working closely with my counterparts, and the four NHS organisations have been working together. Ultimately, let us hope that should a vaccine become available—we still do not yet have one authorised—it will be a moment at which the whole country can come together in support of making sure that those who are clinically most vulnerable will get support first wherever they live.

Anti-vaccination Disinformation Online

Damian Collins (Folkestone and Hythe) (Con): What recent discussions he has had with the Secretary of State for Digital, Culture, Media and Sport on tackling anti-vaccination disinformation online; and if he will make a statement. [908873]

The Secretary of State for Health and Social Care (Matt Hancock): The Culture Secretary and I discuss regularly with social media platforms the action that is needed to tackle vaccination disinformation online. I am encouraged by the fact that social media companies who have attended meetings with us have agreed to commit to the principle that no user or company should directly profit from covid-19 vaccine disinformation and to ensure a timely response when we flag such content to them.

Damian Collins: It is obviously tremendous news that a vaccine will be available and that the people in the UK may be among some of the first in the world to receive it, but it is important that there is public confidence in the vaccine. The anti-vaccine movement is damaging: it is a threat to public health. Does my right hon. Friend agree that social media companies should not just be taking down anti-vaccine material when they are notified of it, but proactively looking for it on the internet and removing it themselves?

Matt Hancock: Yes, absolutely. A critical part of tackling disinformation is providing accurate, fair and objective positive information, and my hon. Friend is absolutely right about this point. The social media companies are working—and we are providing content for them—to ensure that proper, accurate information that the public can trust from the NHS about the effectiveness of vaccines can be promoted, as well as taking action to remove information that is not accurate and not correct.

Covid-19: Care Home Visits

Ellie Reeves (Lewisham West and Penge) (Lab): What steps his Department is taking to help ensure that family members can safely visit relatives in care homes during the covid-19 outbreak. [908874]

The Minister for Care (Helen Whately): Visits from loved ones are what makes life worth living for many care home residents, yet, sadly, these have been too few over the last few months. Unlike the first lockdown, during this period of national restrictions, we want visits to be able to continue. That is why we published new guidance on 5 November advising care homes of the steps that they can take to allow safe visiting while there are high rates of covid in the community. Yesterday, we launched our visitor testing trial and plan to offer visitor testing to care homes across the country by Christmas.

Ellie Reeves [V]: There are almost 2,000 people living with dementia in Lewisham and for those in residential care, a lack of social interaction through visits can cause their condition to deteriorate. Testing for family and friends is the way forward, but the Government's pilot for this was launched only this week and just 20 care homes are included. With the festive period rapidly approaching, why was this not done months ago, and is it not just another example of the Government delivering too little, too late?

Helen Whately: We have been testing and have prioritised testing in care homes going back as far as May, and we have been carrying out whole care home testing. We are now testing over 500,000 staff and residents in care homes every week. Now, as testing capacity increases, we are launching the visitor testing trial with 20 care homes across Hampshire, Devon and Cornwall. We will use the lessons from that trial to roll out testing more widely across the country as fast as we possibly can.

Liz Kendall (Leicester West) (Lab): I am afraid the Government's pilot scheme simply fails to understand the scale or urgency of the task. The average time someone spends in a care home before they pass away is two years, so after eight months of not being able to visit, families do not have a moment to lose. If the Government believe that weekly tests make it safe for care home staff to go to work, why not just do the same for families? Will the Minister now agree that a proportion of the 157,000 tests that are currently spare capacity every day will be ring-fenced for family visits so that we can safely bring all families back together in time for Christmas?

Helen Whately: I absolutely want to enable relatives to go and visit their loved ones in care homes, but we have to remember that we are against a backdrop where covid is incredibly cruel to those living in care homes. We have seen outbreaks that have gone from one resident across to almost all residents within a few days, with staff also affected, so we have to get the balance right. We have to make sure that we do this in a way that is safe to residents and staff. That is why we are carrying out the trial to learn the lessons, so that we do it right and so we can then safely roll out testing and more visiting across the whole country.

Covid-19 Testing Pilot in Liverpool

Mrs Heather Wheeler (South Derbyshire) (Con): What assessment his Department has made of the effectiveness of the whole city covid-19 testing pilot in Liverpool. [908875]

The Secretary of State for Health and Social Care (Matt Hancock): The Liverpool pilot will help to inform a blueprint of how mass testing can be achieved and how rapid testing can be delivered at scale. We are now making mass testing available right across the country.

Mrs Wheeler [V]: I thank my right hon. Friend for his reply. May I ask him to agree to extend the pilot for rapid testing to the whole of Derbyshire and Derby to give the pilot real work to compare our semi-rural area with the urban area of Liverpool?

Matt Hancock: We are now issuing test kits to 84 directors of public health across the country. I am very happy to work with Derbyshire and Derby to make sure that my hon. Friend's request is taken up and we can make this happen.

Covid-19 Vaccines: Distribution

Ms Angela Eagle (Wallasey) (Lab): What recent plans he has made for the distribution of covid-19 vaccines. [908877]

The Parliamentary Under-Secretary of State for Health and Social Care (Jo Churchill): On top of the positive news this week of two vaccines, a covid vaccine will be deployed only once it has met robust standards on safety, effectiveness and quality through clinical trials and been approved for use by the Medicines and Healthcare Products Regulatory Agency or an appropriate regulatory body. The Government have asked the NHS to be ready to deploy any safe, effective vaccine as soon as it is available. Distribution arrangements must be flexible and include the make-up of the workforce needed to rapidly deliver a vaccination programme, training requirements, consumables and any supporting infrastructure. The key point, though, is that the Government have been clear they will do everything they need to do to roll out a successful vaccine.

Ms Eagle: Does the Minister agree that it is going to be a mammoth logistical effort, not only to do a vaccination-style thing as we do every year with flu, but to include everybody? Also, it looks as though, in order for the vaccine to be effective, people might have to have two injections rather than one, which doubles the number. Can she give any view at this stage, given the logistical efforts that are going in, of how long it will take us to safely vaccinate everybody in the country?

Jo Churchill: First, I would like to place on record my enormous thanks to Liverpool and its local leadership for how it has helped us with repatriating from Wuhan and with the mass testing. I am sure that Liverpool will once again step to the fore with any help we might need with deploying the vaccine. We will deploy it as fast as possible, but there is a process. We have to know that it is safe, through the regulatory framework. We then have to know that as it arrives from the manufacturers, we can distribute it at pace. We are aiming to do that, and every sinew is being strained to ensure that we can deliver as swiftly as possible. The entire population wants to get on with living a normal, or more normal, life.

Covid-19: Care Home Residents

Sir David Amess (Southend West) (Con): What steps his Department is taking to protect care home residents during the covid-19 outbreak. [908879]

The Minister for Care (Helen Whately): Sadly, covid is cruel to care home residents, and outbreaks are hard to prevent and control, especially when covid rates are high in the surrounding community. As we set out in our winter plan for adult social care, we have a regime of regular testing for staff and residents, we are supplying personal protective equipment to care homes, we have been offering training in infection prevention and control, backed up by Care Quality Commission inspections, and we are providing £1.1 billion to social care specifically to go towards the cost of infection prevention and control.

Sir David Amess: I know that my hon. Friend has already touched on this subject, but she will be aware that since April, many people have not been able to visit relatives and loved ones in care homes, so will she please tell the House again what is being done to improve testing and to roll out the flu vaccine to ensure that these visits can resume safely after the latest lockdown?

Helen Whately: My hon. Friend is a great advocate for the care sector—for those who receive care and for the workforce—in Southend West. Yesterday we launched a trial of visitor testing, and we plan to offer this to care homes across the country during December. On his question about flu vaccinations, this year we are carrying out the biggest ever flu vaccination programme. So far, the majority of care home residents have been vaccinated, but there is further to go for care staff, and I urge any careworker who has yet to have their flu jab to ensure that they get it over the next few weeks.

Covid-19: Adult Social Care

Suzanne Webb (Stourbridge) (Con): What steps his Department is taking to support the adult social care sector during the covid-19 outbreak. [908885]

The Minister for Care (Helen Whately): Our winter plan sets out what we are doing to support adult social care during the second wave of the pandemic, including supplying free PPE to meet social care's covid needs across domiciliary care, day care services and personal assistance as well as in care homes, and includes a further £546 million of funding for the infection control fund, bringing the total we have provided to social care for infection control to £1.1 billion.

Suzanne Webb: The new megalabs will open in 2021, one of which will be just down the road in Leamington Spa. This is very welcome news for the care sector in Stourbridge, which needs fast access to testing to carry out its amazing work, and let us not forget that these megalabs will bring thousands of jobs to the midlands. The UK is already No. 1 in Europe for testing capacity. With these new labs on stream, that capacity will double. Will my hon. Friend commit to prioritising the social care sector in this new capacity?

Helen Whately: The answer to my hon. Friend's question is yes. Adult social care has already been at the front of the queue for testing. Care homes in Stourbridge and across the country have had whole care home testing since May. We have now sent out more than 13 million test kits to care homes. Every week we are testing more than half a million staff and residents, with nearly 90% of results back within 72 hours. I will continue to make sure that social care is a priority, going beyond care homes to include domiciliary care and supported living as we increase testing capacity.

Covid-19 Autumn 2020 Lockdown: Newborn Babies

Andrea Leadsom (South Northamptonshire) (Con): What steps his Department is taking to support the healthcare needs of newborn babies and their families during the autumn 2020 covid-19 lockdown. [908880]

Alison Thewliss (Glasgow Central) (SNP): What steps he is taking to support the healthcare needs of babies and families during the covid-19 outbreak. [908886]

The Minister for Patient Safety, Mental Health and Suicide Prevention (Ms Nadine Dorries): The indirect impact of covid-19 has been significant for pregnant women and their young families. Support for families is a priority, and it means short-term and long-term harms can be prevented. Health visiting teams have continued to support and prioritise high-need families. We have also gone to great lengths to ensure that informal support networks that have been there in the past to support mothers and younger babies can remain and provide the support they were unable to give during the first wave.

Andrea Leadsom: I know that my hon. Friend is well aware of the desire of new families to return to face-to-face services as soon as is possible, but does she agree that the amazing work of so many in the early years sector to deliver online and digital services at this incredibly difficult time must not be lost? When we return to face-to-face services, we also therefore need to capture all the amazing learning on digital and make sure we can amplify support for new families in that way.

Ms Dorries: I absolutely agree with my right hon. Friend on that. First, may I pay tribute to her for the work she has undertaken throughout her career with families, parents and young babies, and on early years, particularly the first years of a child's life? I am sure Members on both sides of the House are hugely anticipating and excited about receiving her review on early years and young families. She is right to say that using digital technologies has enhanced so many areas during the first lockdown and throughout our time with covid, not only in mental health, but with young families and children. In a way, it has been a catalyst whereby we have embraced technology in all areas across health service delivery. We are making sure that we continue to do that and we do not lose the moment.

Alison Thewliss: Many low-income families have struggled to make ends meet during lockdown. Families with babies under one are entitled to Healthy Start vouchers of only £6.20 a week, which is not enough to buy any infant formula that I can find on the market. By contrast, Scotland's equivalent provides £8.50 a week for Best Start foods. The all-party group on infant feeding and inequalities, which I chair, produced a report on the cost of infant formula in 2018. It recommended the uprating of Healthy Start vouchers, because the cost involved in buying formula means that families are watering down formula or feeding their babies unsafe alternatives. Will the Minister urgently consider uprating Healthy Start vouchers, to ensure that low-income families can claim their entitlement, because many do not?

Ms Dorries: I will take away the hon. Lady's comments and we will look at them.

Non-covid-19 Healthcare Treatment

Gareth Bacon (Orpington) (Con): What steps his Department is taking to support the provision of non-covid-19 healthcare treatment. [908881]

Jerome Mayhew (Broadland) (Con): What steps his Department is taking to support the provision of non-covid-19 healthcare treatment. [908889]

The Minister for Health (Edward Argar): The Government are supporting the NHS's ambition to continue to restore elective services for non-covid patients, while of course recognising the pressure on services from covid-19 infection control, with September statistics showing services already restored to about 80% of last year's levels. Some £2.9 billion of additional funding has been made available from 1 October to manage ongoing covid-19 pressures, alongside recovering non-covid activity levels.

Gareth Bacon: I thank my hon. Friend for his response. Given the difficulties faced by the NHS because of covid-19, what considerations are being given to additional initiatives or the management of existing resources to address patient demand and break the backlog of non-covid-related treatments, such as diagnostic interventions for cancer?

Edward Argar: The NHS is working hard to maintain elective activity as far as possible during the second wave with extra funding, as has been set out. As shown in published September data, hospitals are carrying out more than 1 million routine appointments and operations per week, with around three times the levels of elective patients admitted to hospitals than in April, with many hospitals innovating to get through their lists. For example, Buckinghamshire, Oxfordshire and West Berkshire sustainability and transformation partnership has set up additional bespoke cataract units to deliver services. In addition, we have been making use of independent sector sites to assist the NHS with almost 1 million NHS patient appointments taking place within those facilities.

Jerome Mayhew: One adverse consequence of the first lockdown was that many people failed to seek treatment because they were afraid of the virus, but due to good planning and hard work, the staff of the Norfolk and Norwich University Hospital are able to treat covid patients while still undertaking the normal work of the hospital. Does my hon. Friend agree that the people of Broadland should continue to seek medical assistance when they need it, confident in the knowledge that it will be provided in a covid-safe and effective manner?

Edward Argar: I share my hon. Friend's fulsome praise of the staff at Norfolk and Norwich University Hospital and the work that they are doing. They have a strong champion in him. Indeed, I pay tribute to all the health and social care staff who have worked so magnificently throughout the pandemic. I can wholeheartedly agree with everything he says. My right hon. Friend the Secretary of State has been clear throughout this pandemic that anyone who needs medical help should continue to seek it in the knowledge that they will be treated in a safe and effective manner appropriate to their needs. To put it bluntly, it is a case of help us to help you.

Alex Norris (Nottingham North) (Lab/Co-op): For cancer care, we are still dealing with the backlog from the first wave, but we are now hearing of treatments being cancelled during the second wave. Extremely vulnerable immuno-compromised cancer patients need covid-free wards and staff need regular testing. Similar backlogs to the first wave could be the difference between life and death. I ask this at every Health questions but am yet to receive a persuasive answer. What will the Government do differently in order to restore cancer services?

Edward Argar: I am grateful to the shadow Minister, who always asks measured and sensible questions. He is right to ask that particular question, but I am very happy for him to raise with me any specific incidents of where urgent cancer care is being cancelled in the current situation. We have worked extremely hard, as has the NHS, to ensure that treatments such as that and emergency and urgent treatment can continue. He asked what we are doing differently. We have learned a huge amount, as has the whole country, over the past six to nine months. We have increased capacity in our hospitals, which is why, with the measures that we have taken, we can continue far more surgery and far more treatments, particularly cancer treatments, than we could in the first wave.

Mr Speaker: Unfortunately, we do finish at quarter past 12, so I will start topical questions, slightly late, with Steve McCabe.

Topical Questions

[908924] **Steve McCabe** (Birmingham, Selly Oak) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health and Social Care (Matt Hancock): We are seeing major scientific advances that will help to get things back to normal. We are expanding mass testing with the two mega labs that will add another 600,000 to our daily testing capacity and, on vaccines, we have secured an initial agreement for 5 million doses of the very promising Moderna vaccine and begun clinical trials of the Janssen vaccine.

Steve McCabe: It is now 41 days since I asked the Secretary of State whether he would stop the clock so that no one seeking access to fertility treatment loses out because of delays due to the pandemic. When does he hope that his Department will get around to answering?

Matt Hancock: The provision of fertility services is happening in the normal way in as many places as possible across England, but it is not happening everywhere because of the huge pressures on the NHS from the second wave of covid. As my hon. Friend the Minister of State was saying a moment ago, there are pressures on the NHS. There are now 15,000 people in hospital with covid across the UK, but the NHS is doing far more normal services that it was not able to do in the first wave.

Mr Speaker: I call the Chair of the Select Committee.

Jeremy Hunt (South West Surrey) (Con): This morning, the Select Committee has been hearing about workforce burnout. Witness after witness said that the one thing that would make a big difference to NHS staff is knowing that we are training enough doctors and nurses for the future even if we do not have enough now. Nearly two years on from the NHS 10-year plan, we still do not have the workforce projections published—I know that the Secretary of State is keen to get them published. Can he assure the House that, when they are published, they will be the independent projections and not what the Treasury has negotiated with his Department as part of the spending review?

Matt Hancock: I am grateful to my right hon. Friend for that question. I can give him a couple of projections and a couple of facts. Over the past year, we have 13,500 more nurses in the NHS than we did a year ago, and thousands more doctors. Let me give him this projection, which I am sure that he and everybody on the Government Benches will buy into: we are going to have 50,000 more nurses in the NHS by the end of this Parliament.

[908926] **Bill Esterson** (Sefton Central) (Lab): Many of my constituents have taken part in the Liverpool mass testing pilots, but they need to know that the tests being used are accurate. Reports in *The Times* that suggest very high levels of both false positives and false negatives are deeply worrying, so can the Secretary of State tell us what steps he is taking to ensure that the tests being used in the mass testing are indeed accurate?

Matt Hancock: Yes; the lateral flow tests that are being used in Liverpool are accurate. They measure whether somebody is infectious and have a very high specificity. We publish all these statistics, having had them assessed at Porton Down in one of the best medical science units across the whole world, so I assure the hon. Gentleman—and, through him, his constituents—that the lateral flow tests have a quick turnaround and a high degree of accuracy regarding whether someone is infectious. I have not seen the reports to which he refers, but I assure him that the best thing that people can do if they are offered a test is to get one.

[908925] **Chris Loder** (West Dorset) (Con) [V]: I was delighted when the Secretary of State came to visit the Yeatman Hospital in Sherborne at the end of last year, but my constituents in West Dorset are becoming increasingly concerned that the Yeatman Hospital's minor injuries unit has been closed for too long. Will the Secretary of State confirm that the MIU will not be permanently closed, and that it will reopen at the first possible opportunity?

Matt Hancock: I am very happy to meet my hon. Friend and to discuss with him how we can strengthen the services that are available across Dorset, especially as the population is not as dense as in some other parts of the country. We need to ensure that we get services out into the community, rather than just in the big cities.

[908929] **Paula Barker** (Liverpool, Wavertree) (Lab): Our home care workers have gone above and beyond during the pandemic. Tragically, they are some of the lowest paid workers in the entire labour market. Does the Secretary of State agree that there is a role for local government, as the commissioners of home care services, in strengthening enforcement of national minimum wage legislation to ensure that no home care worker, anywhere, is not properly paid for travel time between visits?

Matt Hancock: As a proud supporter of the Conservative Government's introduction of the national living wage, I am a big fan of the pay increases that we have seen for some of the lowest paid people in the country, such as some of those working in social care including the home care sector, about which the hon. Member speaks. National living wage legislation is not a "nice to have"; it is mandatory, and all employers must follow it.

[908927] **Holly Mumby-Croft** (Scunthorpe) (Con): I thank my right hon. Friend for his incredible hard work over recent months. I am delighted that Scunthorpe General Hospital has received significant funding, which will help with the short to medium-term pressures, but he knows that it is in need of a much more significant upgrade. When he is able to, will he meet me to discuss a way forward?

Matt Hancock: Yes; my hon. Friend has been a champion for Scunthorpe and for supporting Scunthorpe General Hospital. I am glad that we have been able to make an investment in that hospital, and I am happy to meet her to talk about what more we can do.

[908930] **Dan Jarvis** (Barnsley Central) (Lab) [V]: NHS Blood and Transplant has recently reported a dramatic reduction in some transplant operations. For example, living kidney donations are down three quarters on last year. What steps is the Department taking to ensure that patients who require an organ receive the life-saving operation that they so desperately need?

Matt Hancock: The hon. Gentleman and I share a passion for ensuring that organ donation is possible and is supported wherever it is needed. That is very close to my heart through personal experience—not mine, but that of a friend. The hon. Gentleman has raised this issue and driven a change in the law, and I am glad that the change in the law to an opt-out system has happened. However, during the first lockdown there was clearly a slowdown in the number of donations, and we do not want to see that. There are more services available in the second peak of this coronavirus crisis. I look forward to working with him and others to make sure that organ donation is as high as it possibly can be.

[908928] **Jo Gideon** (Stoke-on-Trent Central) (Con): Royal Stoke University Hospital in my constituency has warned that the rising level of obesity is becoming an increasingly serious problem. With nearly one in seven adults considered obese in Stoke-on-Trent Central, does my right hon. Friend agree that tackling rising levels of obesity has never been more important for our public health and should remain a priority for our Government?

Matt Hancock: Yes, I do, and so does the Prime Minister. We feel very strongly about this. It is so important that we have the work across the country to tackle obesity; this has only been made more urgent because we know of the link between obesity and the risk of dying from covid. I look forward to working with my hon. Friend and others to make this happen.

[908934] **Rachael Maskell** (York Central) (Lab/Co-op): York's contact tracing work has proved to be incredibly effective, not just in its reach but in persuading people to isolate. However, it is not getting data through until around day five, when people are having a test, and it could be so much more effective if it had that data on day one. Will the Secretary of State look at York being a pilot for having immediate access to the data and the resources necessary to get on top of this virus and lock it down?

Matt Hancock: I am happy to work with the hon. Lady and the director of public health in York, and obviously with NHS Test and Trace, to make sure that the link-up is as effective as possible.

[908931] **Jonathan Gullis** (Stoke-on-Trent North) (Con): My right hon. Friend will be aware that nosocomial spread is high in the NHS and that transmission is sometimes via staff. In order to help the amazing teams at Royal Stoke University Hospital and the Hayward walk-in centre, will he give guidance that stops substantive staff working bank, agency and locum shifts in other hospitals, to help reduce transmissions?

Matt Hancock: I am very happy to look into that idea, while making sure, of course, that we also have the availability of staff, which is critical. We have just had two questions from Stoke-on-Trent. Let me say how much I appreciate the work of everybody at the Royal Stoke, who I know are doing so much. There are difficult circumstances there because of the second wave, which is quite significant in Stoke. I thank everybody at the Royal Stoke for all the work they are doing.

[908940] **Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD) [V]: I was very pleased by the Secretary of State's answer to me last week that the vaccine would be rolled out on a needs basis. As the House knows, I represent a vast and very remote constituency. What worries me is the thought of elderly and vulnerable constituents having to travel long distances to get the vaccine. Health is devolved in Scotland, of course, but what proposals does he have for England and Wales to take the vaccine to those people who are elderly and vulnerable, and will he share that methodology with the Scottish Government?

Matt Hancock: Yes, I would be happy to do that. We are proposing roving teams who can get out into rural communities across England. I know that there are ongoing discussions between those in the NHS in England and in Scotland who are responsible for the deployment of the vaccine. However, it is a critical principle that it should be deployed according to clinical need, not according to where people live across the United Kingdom.

[908932] **Mary Robinson** (Cheadle) (Con) [V]: Although covid has highlighted the value of our care workers, care remains generally low-paid, high-turnover employment. A route into nursing would give care workers more opportunity to progress and build a career. Would the Government consider fast-tracking a specialised training course for care workers seeking to go into nursing, which reflects the many transferable skills that they have?

Matt Hancock: Yes, I think that is a brilliant idea. Let us work on it together.

[908933] **Gary Sambrook** (Birmingham, Northfield) (Con): I welcome the news that the Secretary of State has secured 5 million doses of the Moderna vaccine, totalling 355 million dosages for the UK. Does he agree that it is key to putting this virus back in its box, and that it is down to the willingness of the great British public to step forward and to voluntarily have this vaccine so that we can all move on?

Matt Hancock: Yes, that is right. A vaccine will be approved only if it is both effective and safe, so when your ticket comes up, if you are asked to take the vaccine, then I and the whole serious clinical establishment—all of those who understand the vaccines and the value of them —will be urging people right across the country to get it, because it is good for you, it protects your loved ones and it protects your community. It is the primary route, alongside other things like testing, by which we will get out of this and get life back more closely to normal.

[908935] **Chris Grayling** (Epsom and Ewell) (Con): I welcome the Government's substantial investment in hospital services in my area. The Secretary of State knows that I remain disappointed that Epsom, was not the NHS's choice of location— rather than Sutton—but will he assure me that as the NHS reviews the impact of the pandemic and looks at future capacity needs, he will keep an open mind if that decision needs to be changed, because in the end Epsom represents better value for the health service?

Matt Hancock: I appreciate my right hon. Friend's tenacity and doggedness in making the case for Epsom. I am a big supporter of the decision that has been made, and I am afraid, from his point of view, that the final decision on the location of the new hospital—in Sutton— has now been made. However, I am always open-minded to what further health services can be deployed in Epsom itself, and I suggest that my right hon. Friend and I work together on that.

[908936] **Mike Wood** (Dudley South) (Con) [V]: Rising infection rates in Dudley are extremely worrying. The launch of the third covid vaccine trial in the UK this week is excellent news and I pay tribute to the volunteers and researchers involved in the trials, but does my right hon. Friend agree that it is still early days, so it is vital that all of us continue to play our part in doing everything possible to bring down that infection rate, particularly in areas, like Dudley, where it continues to rise?

Matt Hancock: Yes. Vaccines could not be approved if there were not volunteers who were willing to take them and play their part. I want to end this session, if I may, with a tribute to my PPS, my hon. Friend the Member for St Austell and Newquay (Steve Double), who, along with some other Members of the House, is taking part in a vaccine trial, and therefore doing his bit to make vaccines available to help everybody across this country.

Dr Rupa Huq (Ealing Central and Acton) (Lab): The Health Secretary will remember—his hon. Friend the Member for St Austell and Newquay (Steve Double) was there as well—that we had a really good meeting on 2 October about the link between covid and vitamin D. Since then the PM even said, two weeks ago, that good news is on the way. Will the Secretary of State update us on what is happening? The Government are meant to be getting rid of dither and delay. We could be like New Zealand; they have only had 16 deaths in care homes in the whole of this pandemic. What can he do?

Matt Hancock: Yes, we are making progress on that and working on the clinical protocols. I look forward to updating the hon. Lady with more information when a final decision has been made.

Mr Speaker: In order to aid the safe exit of hon. Members participating in this item of business and the safe arrival of those participating in the next, I suspend the House for three minutes.

12.33 pm

Sitting suspended.

12.37 pm

Speaker's Statement

Mr Speaker: Before the urgent question, I wish to make a short statement about Divisions. Last week, I announced that the number of proxies in operation meant that I could reduce the voting time before the doors are locked from 12 minutes to 10. I can now reduce the time further, to the normal time of eight minutes from the start of the Division. As at present, the occupant of the Chair may extend the time in a particular Division where there is evidence of delays or problems getting to the Division Lobbies.

Continuity Trade Agreements: Parliamentary Scrutiny

Emily Thornberry (Islington South and Finsbury) (Lab) *(Urgent Question):* To ask the Secretary of State for International Trade to make a statement on the proposed parliamentary scrutiny of future Continuity Trade Agreements.

The Minister for Trade Policy (Greg Hands): In under two years, the UK Government have signed or agreed in principle trade agreements with 52 countries that account for £142 billion of UK bilateral trade. That accounts for 74% of the value of trade with non-European Union countries that we set out to secure agreements with at the start of the trade continuity programme. Since the transition period began, we have expanded the ambition of our programme above and beyond that original scope. In November we signed an enhanced deal with Japan, accounting for £30 billion of UK trade in 2019, and we expect to make significant progress in securing further deals before the end of the transition period. We believe that this is the largest set of parallel trade negotiations ever conducted by any country.

Parliamentary scrutiny is central to our continuity negotiations. All signed agreements would be subject to the statutory scrutiny process as set out in the Constitutional Reform and Governance Act 2010, providing a guaranteed period for Parliament to scrutinise and debate these agreements. Indeed, Parliament has held debates on six of our signed continuity agreements, and not one of those debates has carried a negative resolution. Further, we have voluntarily published parliamentary reports alongside all continuity agreements, explaining any differences from the predecessor EU agreements. I am pleased to see that our approach to scrutiny was praised in a recent report by the House of Lords EU International Agreements Sub-Committee, "Treaty scrutiny: working practices".

As we approach the end of the transition period, it is possible that the scrutiny window for remaining agreements will extend beyond 1 January into the new year. That means that we may need to use provisional application for a short period, in order to guarantee continuity of trade relationships and avoid any cliff edges. I thank the right hon. Lady for her two letters on the subject to the Secretary of State last week. Provisional application is a well-established and widely used mechanism to give effect to treaties while domestic ratification procedures continue in parallel. Many EU trade agreements were or are being provisionally applied, including the comprehensive economic and trade agreement with Canada and the agreements with Ukraine and with the Caribbean Forum. I remind the right hon. Lady that those EU agreements have already been comprehensively scrutinised at EU level and by this Parliament. In fact, the Government published a technical note in Parliament last year setting out our assessment of provisional application and the circumstances in which it might be used.

We will always take the time necessary to negotiate the right deals. Any agreement we sign must benefit British consumers and businesses, preserve our high food standards and protect the NHS, and they must share wealth across all our nations and regions as part of our levelling-up agenda. We look forward to submitting further continuity FTAs to Parliament for scrutiny once signed, and we welcome further debates on our independent trade policy.

Emily Thornberry: Thank you, Mr Speaker, for granting this urgent question on an issue that should never have become urgent. The Government have literally had years to protect our free trade with countries such as Canada, Singapore and Mexico, but with just six weeks to go until the end of the transition period, 15 of those continuity agreements have still not been secured, leaving £80 billion of UK trade at risk—two and a half times our trade with Japan. Those 15 agreements have been left so late that the Government will now have to ride roughshod over the rules of parliamentary scrutiny to implement them in time.

Why do we find ourselves in this sorry mess? Why were 20 agreements signed in 2019, but only four so far in 2020? Why have we heard Governments such as Montenegro and Cameroon saying that formal talks were held in September 2019, but then nothing for a full year afterwards? Why, in just the past week, have we heard the Prime Minister of Canada say that Britain has lacked the "bandwidth" to do a deal and the Government of Ghana express dismay that their UK counterparts would turn up late and badly briefed to meetings and then leave early with nothing resolved?

Those are all the hallmarks of Ministers who are simply not doing their job. How else do we explain why the agreement reached two weeks ago with Kenya has still not been laid before Parliament and cannot now receive the full 21 days of scrutiny? It is sheer bumbling incompetence, and instead of taking responsibility today, the Secretary of State has sent her Minister in her stead —a fitting symbol of a total failure to grasp this issue during her 16 months in office. It therefore falls to the Minister of State to answer my three final questions. First, what new steps is his Department taking to get these 15 agreements over the line before Christmas? Secondly, when will UK businesses be told if any of those agreements, including with Mexico, are definitely not going to be reached? Thirdly, how can Ministers continue to defend the adequacy of the rules for parliamentary scrutiny of trade deals after the absolute mockery that they have made of them today?

Greg Hands: It is genuinely a pleasure to answer this question. Let me try to take in turn the different points made by the right hon. Member for Islington South and Finsbury (Emily Thornberry). First, may I say in general that we are working very hard on the remaining agreements? We have around 700 dedicated officials in the trade policy group who are working on the agreements, and the Secretary of State, the Under-Secretary of State for International Trade, my hon. Friend the Member for North East Hampshire (Mr Jayawardena), and I are also working carefully on them.

Are we riding roughshod? No, we are not. CRaG would still be fully operating—*[Interruption.]* The right hon. Member for Islington South and Finsbury scoffs, Mr Speaker, but she voted the same way that I did for CRaG in 2010. She should have belief in what she voted for under the previous Labour Government.

As for provisional application, it is absolutely an accepted part of international procedure. It is under the—*[Interruption.]*

Mr Speaker: Order. I granted the urgent question in order for the question to be heard, but I cannot hear the Minister's reply. I do not want a dialogue all the way through, please. I grant them on the basis that there is a need to listen to what is being said.

Greg Hands: The Vienna convention has been around for a long time, and I mentioned that many agreements were provisionally applied by the European Union. I specifically mentioned the CARIFORUM agreement with the Caribbean Community countries and the Dominican Republic, which is also of course a Caribbean country. The reason I mention it is that it has been provisionally applied for the past 12 years. It was signed by the last Labour Government. If the right hon. Lady was happy with something signed by the previous Labour Government that is still provisionally applied today, she is making a bit of a mountain out of the remaining days that we are adding to the process, given the fact that that has been provisionally applied for 12 years. Kenya is a new deal; it is not the continuity of the pre-existing deal.

What steps are we taking? We are stepping up our efforts and working extremely hard. When will UK businesses be told? We are telling businesses all the time about the deals that we have done and landed.

The right hon. Lady mentioned Ghana. There is a deal on the table; it replicates the EU agreement and is consistent with the EU-Ghana stepping stone deal applied in 2016. We are not asking Ghana to do anything that it is not already doing.

The right hon. Lady said in her letter to the Secretary of State on 10 November, which she referred to, that representatives of countries from Cameroon to Montenegro have been communicating with the shadow International Trade team. I do not know whether it is quite right for the shadow Secretary of State to be corresponding directly with our negotiating partners during negotiations that we have been carrying out on behalf of the whole country. I would urge her in the interests of transparency to release all that correspondence with our negotiation opposite numbers, which she referred to in that letter.

It is ironic that the right hon. Lady invokes Ghana, given the amendments to the Trade Bill that she supported on other countries' domestic production standards. The very exports that she is so worried about would have been prevented under those Labour amendments from entering the country in the first place.

The irony in Labour Members complaining that we have not yet rolled over all these EU agreements is this: they did not support these agreements in the first place. They voted against EU-Singapore, they abstained on EU-Japan, and they split three ways on EU-Canada, so they are complaining about agreements not being rolled over that they never supported in the first place.

As we know, Labour has moved on from the right hon. Member for Islington North (Jeremy Corbyn) to the right hon. and learned Member for Holborn and St Pancras (Keir Starmer). The right hon. Member for Islington South and Finsbury is caught between them both, first geographically and now on policy. She cannot escape from this: when it comes to trade and trade agreements, successive Labour leaders cannot decide whether they want these agreements or not. In short, they are in complete chaos, and their approach deserves to be dismissed.

Marco Longhi (Dudley North) (Con) [V]: I thank the Minister for his detailed and full responses. With more trade equating to more jobs in Dudley North and across the country, will my right hon. Friend update the House

on the upcoming trade deal with Mercosur countries in the light of the recent Joint Economic and Trade Committee with Brazil?

Greg Hands: I thank my hon. Friend for that excellent question. I am aware of his background—I think he worked for five years in Brazil and knows the market extremely well. Mercosur is, of course, a very important partner for the United Kingdom, and there are significant opportunities for British business to do more trade, including with Brazil. Just last week, the Secretary of State and the Under-Secretary of State for International Trade, my hon. Friend the Member for North East Hampshire, were pleased to host their first Joint Economic and Trade Committee with Minister Fendt from Brazil. They spoke about success to date in financial services and food and drink sectors. As there is not an EU-Mercosur deal in effect, any future UK-Mercosur deal is not within the scope of this programme.

Stewart Hosie (Dundee East) (SNP): The problem here is not simply the incomplete deals; it is the process we are following, which is not fit for purpose. MPs have no ability to vote to amend our negotiating mandate. As the Minister said, the Government report voluntarily, normally at the end of a negotiating stage to tell us that everything is great, but with no information about obstacles overcome or new obstacles emerging. Perhaps towards the end of a negotiation, the negotiators go into a tunnel from which no information emerges unless it is leaked to provide leverage, which is profoundly unhelpful. We are then offered a vote on a short take-it-or-leave-it debate—again, with no ability to amend or to reflect or represent constituents or sectoral interests. Finally, we find out, normally from the foreign press, as was the case with Switzerland and Norway, that the deal is not what the Government trumpeted it to be.

I ask the Minister, briefly, what action will he take to expedite the outstanding deals? What action will he take to mitigate the potential tariff and quota costs on some £80 billion of trade? More importantly, what action will the Government take because CRaG is not fit for purpose and we need a new system that allows MPs scrutiny and the ability to amend?

Greg Hands: I thank the hon. Gentleman for the rather more thoughtful questions than those of the official Opposition. Of course, to be fair to him, he voted against CRaG. In fact, he, I and the right hon. Member for Islington South and Finsbury (Emily Thornberry) were all elected in the same year, 2005. He voted against CRaG, which is fair enough, and the right hon. Member for Islington South and Finsbury and I voted for it. I can understand his consistency in being opposed to the process. However, we are confident that it represents a robust way of ratifying trade agreements and of Parliament having its say.

Not only that, but we have added to the CRaG process by publishing a scoping analysis and a likely economic impact assessment in advance of the deal, made written ministerial statements after each round, and then publishing an impact assessment when the deal is finally done which gets sent off to the International Trade Committee and the EU International Agreements Sub-Committee in the other place. We have gone far further than CRaG.

I will also say this about SNP Members. Once again, they are complaining about these deals not being rolled over, but they are all deals that they have either not supported or abstained on. They abstained on EU-Japan. They abstained on EU-Singapore. They are against EU-Canada. They are against EU-South Africa. They are against EU-Korea. In fact, I have gone back 15 years, and I cannot find a single trade deal that the SNP has ever supported or voted for, so it is a bit rich for the hon. Gentleman to come along today and say that the deals have not been rolled over—none of which he supported in the first place. The SNP is anti-trade, it is hellbent on breaking up our Union and it is against Scotland's best economic interests.

Chris Grayling (Epsom and Ewell) (Con): Listening to both the parties opposite, given how important free trade is for prosperity, I say thank goodness we are the ones in government. I commend my right hon. Friend and his colleagues for the work they have done in making as much progress as they have. I am confident that they will complete that progress in the time that remains.

As we head into 2021 and seek to negotiate another new round of free trade agreements, I ask my right hon. Friend to ensure that not only are we champions of free trade, but we set environmental sustainability at the heart of the negotiations. Those are global challenges that must be reflected in our commitment to free trade.

Greg Hands: I thank my right hon. Friend for his interest in this area. The UK's new independent trade policy is designed to be very environmentally friendly. That occurred in the Secretary of State's speech to the World Trade Organisation in the spring. The UK global tariff that we have published reduces import tariffs, or eliminates them entirely, on 104 environmental goods entering the UK, including things such as steam turbines. We have gone significantly further than the common external tariff of the European Union. When it comes to our negotiations with future trade partners, the US, New Zealand and Australia, we have committed to promoting trade in low-carbon goods and services, as well as supporting R&D, innovation and science in sectors such as offshore wind, smart energy, low-carbon advisory services and energy from waste.

Mr Speaker: We are heading to Scotland with the Chair of the Select Committee.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP) [V]: The International Trade Committee first reported on the roll-over of trade deals in 2018. Hon. Members probably remember that we were told then that all the agreements would be signed about a minute after midnight on 29 March 2019. It is a huge concern that we still have not done 15 of those deals—indeed, with 44 days to go, the biggest trade deal with the EU is still uncertain. Is it not the truth that jobs, businesses and communities need to be better served by the Government in their work associated with Brexit and these incomplete trade deals? It is time for the Government to get their act together, and quick.

Greg Hands: I thank the hon. Gentleman for that question. I remember appearing before his Select Committee during that inquiry in 2018, which I know he will remember well, too. The fact of the matter is that we

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have done roll-over deals with 52 countries. That is a very strong achievement and represents some 74% of the value of trade with non-EU countries that we set out to secure agreement with at the start of the trade continuity programme, which was when he did his inquiry. We are working flat out at the moment. He will know that just in recent weeks we have signed deals with Ukraine on 8 October, Côte d'Ivoire on 15 October and Japan on 23 October, and we signed an agreement in principle with Kenya on 3 November.

Alexander Stafford (Rother Valley) (Con): I am glad that the right hon. Member for Islington South and Finsbury (Emily Thornberry) raised Ghana, because that is what I am concerned about. The Ghanaian contention that the deal on offer is not compatible with the Economic Community of West African States simply does not stack up in my opinion. Will my right hon. Friend confirm that Ghana's deal with the EU is compatible with ECOWAS and our deal replicates the EU deal exactly?

Greg Hands: I thank my hon. Friend for his keen interest in Ghana, which is an interest I share. I went with the Westminster Foundation for Democracy in 2009 to help train up Ghanaian politicians. It is a country that I have kept a keen interest in for the past 11 years. There is a deal on the table. It replicates the EU agreement, gives full duty-free, quota-free access to our market and is consistent with the EU-Ghana stepping stone deal applied in 2016. There is no evidence that that existing EU deal has damaged Ghana's relations with its ECOWAS neighbours.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op) [V]: I am surprised that the Minister keeps evading the whole thrust of the urgent question he was asked. Why is he so terrified of parliamentary scrutiny? He can talk about chaos on the Labour side, but chaos and confusion reign in No. 10. There is chaos and confusion in our relationship trying to get an agreement with the European Union as we leave. What is wrong with this Government? I am a member of the Committee on the Future Relationship with the European Union, which is being abolished just when we need it for parliamentary scrutiny. Why are this Government so terrified of being responsible and accountable to this House?

Greg Hands: I just remind the hon. Gentleman, because he was definitely in the House in 2010, that the CRaG process, which was set up by the last Labour Government and which I strongly suspect he voted for, is exactly the system of parliamentary scrutiny that we are using as the basis for these continuity trade deals now. Not only that, but, as I have already outlined, we are building on the CRaG commitments with additional reports and additional involvement from the International Trade Committee and the House of Lords International Agreements Committee.

Matt Vickers (Stockton South) (Con) [V]: Does my right hon. Friend agree that our departure from the EU offers the UK a golden chance to lead the world in modern areas such as services, technology and advanced manufacturing, creating great opportunities for businesses and entrepreneurs in Stockton South?

Greg Hands: My hon. Friend is absolutely right. Services represents about 79% of our GDP and 80% of our employment. The UK, as we know, is a world leader in tech and digital and far ahead of our closest European competitors, France and Germany. We are one of the world's leading international financial services centres, with best in class industry, infrastructure, talent and expertise. The recently announced deal with Japan goes further than the EU deal when it comes to services, particularly financial services.

Barry Gardiner (Brent North) (Lab): The Minister knows, but did not say, that the current CRaG process was put in place when many other layers of democratic scrutiny were applied to international treaties through the EU, but those layers are now gone. Now that his Department has failed to conclude the roll-over agreements, does he accept that democratic scrutiny needs to reflect not just the convenience of Government, but the proper oversight and challenge of Parliament? Or will he only change his view when he finds himself in opposition?

Greg Hands: I think the hon. Gentleman is operating under the misconception that the Government do not want Parliament interested in trade and in trade deals. We are constantly at this Dispatch Box—I, the Secretary of State and the rest of the ministerial team—talking about trade and trade deals. We welcome all the additional parliamentary scrutiny. I remind him that the CRaG process he talks about was set up under the last Labour Government. We have gone further in terms of the reports that we publish and the involvement of Select Committees in both Houses of this Parliament.

Laura Farris (Newbury) (Con): The Prime Minister of Canada went on the record last week to say that the two nations had reached a point where, in effect, a deal with Canada was there for the taking. Does my right hon. Friend agree with that analysis, and can he update the House on the progress of the continuity Canada deal?

Greg Hands: We are confident that we will be able to secure an agreement with our Canadian partners for entry into effect on 1 January. It is an incredibly important deal. I remind the right hon. Member for Islington South and Finsbury (Emily Thornberry) that her official position, under the hon. Member for Brent North (Barry Gardiner) at the time, was to oppose doing this deal in the first place. Canada is an important strategic partner for the UK and our 16th largest trading partner worldwide. The UK exports £11 billion-worth of goods and services each year, and we stand ready to secure and expand this trade.

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP) [V]: These deals cut across many devolved powers, so surely there should be a significant consultation and scrutiny role for devolved Parliaments and Governments, learning from experience in Belgium and Canada, for example—or does the Minister share the Prime Minister's rather extraordinary view that the devolution of powers was a mistake in the first place?

Greg Hands: As we know, international trade is a reserved matter. However, it does have an influence on a large number of areas of devolved competence, so it is quite right that we involve the devolved Administrations in formulating our trade policy and our approach to

different trade negotiations. In terms of the relations that I have with the Scottish Government, the ministerial forum for trade meets quarterly, involving not only the UK Trade Minister—myself—but the three devolved Administrations. Since May, in the time that I have had the remit for talking with the devolved Administrations, I have met with Scottish Minister Ivan McKee five times.

Dehenna Davison (Bishop Auckland) (Con): Listening to what has been said so far, I am very glad that the Conservative party is in government, because we really recognise the value of free trade, not just in terms of GDP figures but the very real impact it has on our constituents—on the great people of Bishop Auckland and beyond. On that note, does my right hon. Friend agree with the interesting stance of the shadow Secretary of State that we should only make future trade deals with countries with which we have a trade deficit?

Greg Hands: The shadow Secretary of State has come out with some extraordinary comments in recent times. That particular one sounded like it was verging on Trumpian mercantilism. My hon. Friend is right that, at a time of growing protectionism, trade provides economic security at home and opportunities abroad. It is a key part of the Government's levelling-up agenda. Trade is very much part of this country's future, as are trade agreements.

Christine Jardine (Edinburgh West) (LD): I am afraid I cannot share the relief of the hon. Member for Bishop Auckland (Dehenna Davison) that we have a Conservative Government, because as we move closer to the end of the transition period, my constituents, and constituents and businesspeople all over this country, are increasingly worried about their inability to secure the deals and the clarity needed. As a Scot, I am not a nationalist, so my views cannot be dismissed as wanting to undermine the interests of Scotland in the United Kingdom, so can the Minister give us some indication of where these deals are going to come from, how they will be settled and what scrutiny they will have in this place?

Greg Hands: I urge the hon. Member to judge us by our actions, not just our words. We have done continuity agreements with 52 countries, which account for £142 billion-worth of bilateral trade. On top of that, we have done a bespoke bilateral deal with Japan, which is the first stand-alone UK free trade agreement that this country has negotiated in 40 years. She should welcome the actions that we have taken to secure the future of these trade agreements and, in the case of Japan, improve on them.

Scott Benton (Blackpool South) (Con): May I congratulate my right hon. Friend on the progress made so far in agreeing to roll over more than 20 of our existing trade deals? Is he able to reassure the House that the Government have sufficient capacity to continue to get trade deals over the line?

Greg Hands: That is a good question, and the answer is simply yes. The trade policy group, which I have been involved with in two different stints at the Department, is an incredibly dedicated, highly professional group of people. It has grown from around 45 at the time of the referendum in 2016 to more than 700. We have taken in private sector expertise—lawyers, experts in trade flows, experts in particular product lines and so on. I am confident that we have the capacity and the right people in place, and I pay tribute to them all for the hard work that they have been doing.

Dame Diana Johnson (Kingston upon Hull North) (Lab) [V]: As my right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) pointed out, the Canadian Prime Minister said last week that Canada was ready to reach a continuity agreement with the UK but that the British Government lacked the "bandwidth" to finalise the deal and, indeed, that his offer to provide support to the UK's negotiators had not been taken up. Is not this just an embarrassing situation for the Government, who claim to be promoting global Britain?

Greg Hands: I thank the hon. Lady for that question. As I have already said, we are in a good position with Canada. I am confident that we will be getting a deal. I saw those comments by the Canadian Prime Minister, whom I greatly respect. The only other person I have seen make those comments is Winston Peters, the leader of the New Zealand First party. I see it sometimes from the negotiating teams opposite; we need to take what they say in a live negotiation with a pinch of salt.

Greg Smith (Buckingham) (Con): I congratulate my right hon. Friend on the progress that has been made on the continuity agreements that are so vital for our country's prosperity, not least in sectors such as agriculture, which is so important to my constituency. With that in mind, does he agree that, while the Opposition parties seek to play political acrobatics with trade, it is this Government who are listening and involving farmers in our future and continuity trade deals by putting the Trade and Agriculture Commission on a statutory footing?

Greg Hands: My hon. Friend is quite right. I think I am actually due to speak with farmers in his constituency in the coming 10 days or so, which I am looking forward to very much. He is quite right that putting the Trade and Agriculture Commission on a statutory footing means that all the National Farmers Unions from across the United Kingdom will play an active role in assessing trade agreements going forward.

Dave Doogan (Angus) (SNP) [V]: Even the Scottish Tory leader's senior adviser, the former Tory MP for Angus, has said that this Government need a "wake-up call" as we see decisions taken by the UK Government without regard to Scotland. A failure to roll over these FTAs would lead to a tariff and quota disaster for Scotland's £15 billion food and drink sector. Indeed, with food and drink exports four times more important to the Scottish economy than the English economy, we can see why Scottish producers are horrified at this abject ministerial failure. Why will the Minister not acknowledge this £38 billion crisis? What will he do to fix it for food and drink producers in Scotland?

Greg Hands: I think the hon. Member's phrase was "abject ministerial failure". We are working hard to roll over all these agreements. I just remind him that these are all agreements that were opposed by the SNP in the first place. It abstained on EU-Japan and EU-Singapore,

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and it was against EU-Canada, against EU-South Africa and against EU-Korea. He ought to be celebrating the fact that these agreements are not being rolled over, to be consistent with his previous position. We are working hard to make sure that they are rolled over.

Jack Brereton (Stoke-on-Trent South) (Con): Does my right hon. Friend agree that we should continue to follow the significant headway we have been making on a number of these trade agreements, and that we should help great British businesses, such as those in Stoke-on-Trent, to grow jobs by making the most of these agreements?

Greg Hands: My hon. Friend is quite right. Both the Secretary of State and I have enjoyed meeting businesses in his constituency—particularly those in ceramics—and right the way across the city of Stoke. We have them on our minds in all our trade negotiations, to ensure that we get new opportunities for the ceramics industry in the Potteries and elsewhere.

Mr Toby Perkins (Chesterfield) (Lab): The Minister seems keen to tell us how hard he and his team are working; meanwhile, crucial trade partners such as Canada seem to feel that the Government just have not got their act together and are not giving this the attention it deserves. Does he not realise that what is really important here is that British businesses, which need certainty about what their trading arrangements will be in January, are sat here in the middle of November still no clearer about whether we are going to be able to trade tariff-free with Canada?

Greg Hands: I remind the hon. Member that the deals that we have rolled over represent around three quarters of the programme. We have updated businesses, as we have updated this House, after each of those deals to make sure that they are kept apprised. When it comes to Canada, of course, this is a live negotiation. We have contact happening every day with Canada. It is worth remembering that Canada actually walked away from the negotiation in 2019, and did not return to the table until July this year. As soon as Canada returned, we put in place a negotiating team and we got on with it.

Jacob Young (Redcar) (Con) [V]: Trade, and the jobs, investment and prosperity it brings, is an incredibly powerful way to level up our country and transform left-behind places such as Redcar and Cleveland. Does my right hon. Friend agree that promoting trade and helping our businesses to export is the best way to rebuild and reshape our economy?

Greg Hands: I thank my hon. Friend and he is absolutely right. We have talked very much about the trade policy aspects of this Department. We are engaging very strongly with the US, for example, on steel tariffs. I know that is something his constituents will keep an ongoing interest in, making sure that those unnecessary and counterproductive tariffs are removed. But when it comes to the wider picture, the Department for International Trade more broadly works incredibly hard at promoting both the exports and inward investment that I know will be really important to his Redcar constituents.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): While recognising that negotiating international trade deals is a reserved matter, the Minister will be aware that many of the policy areas included in trade negotiations are devolved to Wales. Considering this, I find it quite incredible that trade deals can be signed without the formal agreement and approval of the Welsh Parliament. Earlier, he alluded engagement that there had been with the devolved Governments, but can he inform the House whether he has received any critique from the Welsh Government about the approach of the British Government to these continuity deals?

Greg Hands: I have an excellent relationship with the Welsh Government: first with Baroness Morgan and more recently with Jeremy Miles. The hon. Member is quite right that international trade is a reserved matter, but it does impact with devolved competence. I believe that the Welsh Parliament either has or will be recommending legislative consent to the Trade Bill, which I think is testimony to how well we are working together in the interests of all the people of Wales.

Christian Wakeford (Bury South) (Con): I appreciate my right hon. Friend's comments on this topic. I also welcome progress on continuity trade agreements so far as a first step to more comprehensive trade deals in the future. Does he agree that we cannot force countries back to the negotiating table and we must not do any deals at any price?

Greg Hands: My hon. Friend is quite right: it takes two to tango, and that is as true for international trade agreements. If the partner does not want to negotiate, of course we will speak with them and use all the levers we have to try to get them to the table, but at the end of the day, if the partner does not want to negotiate, I am afraid that can happen.

Mrs Emma Lewell-Buck (South Shields) (Lab): If the Government were in control of this situation and favoured transparency, they would have come to the House to make a statement, not be forced to via an urgent question. British businesses need to know how existing arrangements will be preserved. The Government's negligence is leaving them susceptible to disruption to as much as £80 billion of global trade. I have listened carefully to the Minister and, as expected, it was lacking in any detail. When will the Government be able to share any real detail on how we are going to avoid this imminent risk to jobs and livelihoods?

Greg Hands: I would point the hon. Member to the agreements that we have signed in recent weeks with Ukraine, with Côte d'Ivoire and with Japan, with Kenya agreed in principle. We are looking forward to further agreements in the coming weeks that I hope she will welcome and support.

Jo Gideon (Stoke-on-Trent Central) (Con): Could I congratulate my right hon. Friend again on the Japan free trade deal his Department has just concluded, which has created new opportunities, such as for Lucideon in my constituency of Stoke-on-Trent Central? Does he share my enthusiasm about the deal as an important pathway to the comprehensive and progressive agreement for trans-Pacific partnership?

Greg Hands: My hon. Friend—it is good to have so many Stoke MPs here, from our Benches, asking questions—is quite right. The CPTPP represents a fantastic future for this country, and I hope that we are able to apply for formal accession in early 2021.

Theresa Villiers (Chipping Barnet) (Con): Our SPS—sanitary and phytosanitary—rules are based firmly on human health concerns, but they can have important animal welfare benefits by barring the import of food produced according to controversial intensive farming methods that would be unlawful here. With that in mind, will the Minister confirm that our trade deals will retain the ban in this country on ractopamine in pork and bovine somatotropin in dairy produce?

Greg Hands: I can confirm that on 1 January under the European Union (Withdrawal) Act 2018 all of those existing rules will be transferred over to the UK statute book, and those bans will be maintained, which fulfils the manifesto pledge made by my right hon. Friend and I both individually and collectively last December.

Stephen Farry (North Down) (Alliance) [V]: I recognise that Northern Ireland is part of UK trade policy. However, under the protocol, while our goods can freely circulate across the European Union, we are not covered by the EU's free trade agreements. There are major concerns that companies that are part of the supply chain for EU products will now be excluded from those processes due to rules of origin complications. This is a major problem for our agrifood industry in particular, especially the dairy sector. Will the Minister undertake to give urgent consideration to these complicated issues?

Greg Hands: I greatly respect the work the hon. Gentleman has done in Northern Ireland over recent years, and he and I met in a separate capacity last year to discuss some of these problems. He is right: it is clear that under the withdrawal agreement and the protocol Northern Ireland is covered by UK free trade agreements, which is absolutely the right position to be in. Rules of origin complications with EU trade agreements are part of the active negotiation between London and Brussels at this very moment.

Fay Jones (Brecon and Radnorshire) (Con): John Davies, who farms at Merthyr Cynog in my constituency, sits on the recently created Trade and Agriculture Commission in his role as president of NFU Cymru. He will be a loud voice for Welsh farmers, not holding back in his advice to Government. Does the Minister agree that having experts such as John scrutinising the detail of trade deals ensures they benefit Welsh farmers and proves this Government's commitment to backing British farming?

Greg Hands: My hon. Friend is absolutely right, and farming in Wales is so important that we have put its representatives on the Trade and Agriculture Commission not once, but twice; both NFU Cymru and the Farmers' Union of Wales are on it. We have excellent interactions and hear their feedback at the Trade and Agriculture Commission, and we look forward to that continuing when it is put on a statutory footing.

Hywel Williams (Arfon) (PC): Wales has an exporting economy, with exports which in 2019 were worth £338 million with Turkey and £234 million with Canada. What assurance of stability can the Minister give Welsh exporters to these countries that they can continue their businesses next year?

Greg Hands: I thank the hon. Gentleman for that question, and he is right to highlight the importance of Welsh exports. They are very important to us at the UK Department for International Trade, and we are working very hard to get continuity of our trading arrangements with Canada—the CETA.

Sir Edward Leigh (Gainsborough) (Con): There is one section of the community for which trade deals are literally a matter of life and death for their business, not just some minor tweaking of tariffs and regulations. In the 1930s people could walk all the way from Lincoln to Grimsby across derelict farmland because of the import of cheap American wheat, so in the rush to conclude free trade deals will my right hon. Friend assure me that there will be a gold standard process in this House, equivalent to our old European Scrutiny Committees, so that Members of Parliament who represent rural seats can hold the Government to account and protect our superb farming industry?

Greg Hands: My right hon. Friend represents his rural Lincolnshire constituency very effectively. There is no rush to complete future free trade agreements; he mentioned particularly the United States and there was no rush to do that. It is very important that we get the right agreement rather than a quick agreement, and I have already detailed how our commitments to parliamentary scrutiny go well beyond the previous Government's CRaG procedures; we have added a lot to that.

Jim Shannon (Strangford) (DUP): I thank the Minister for all he has done so far to secure the trade agreements, but may I ask him a question about the agrifood sector? Does the Minister agree that it is essential that we have the detailed proposals not simply to scrutinise, but also to get some indications to businesses who do not yet know how to plan for January, and whose position in limbo must come to a very speedy end? When does the Minister believe that that information will be available for those businesses?

Greg Hands: As soon as we conclude one of these continuity agreements and sign it, we will seek to publish it as soon as possible and start the CRaG process. The hon. Gentleman asks about the agrifood sector, which is incredibly important to Northern Ireland. I have met representatives of the sector on various occasions. I suggest that he looks, as I am sure he has done, at the UK-Japan deal and the potential protection for about 70 geographic indicators in that deal, as a sign of our commitment to the whole agrifood sector.

Jonathan Gullis (Stoke-on-Trent North) (Con): The potteries were founded in Burslem by Josiah Wedgwood. They are known worldwide for their world-leading ceramic tableware, which, sadly, those on the Labour Benches forgot about. As the proud Member for Stoke-on-Trent North, Kidsgrove and Talke and the chair of the all-party group for ceramics, may I ask my right hon. Friend whether he agrees that deepening our trading ties with countries that share our values, ideals and high standards is essential for growth in the UK ceramics industry?

Greg Hands: My hon. Friend is quite right. We have gone through Stoke from south to central and now to north. I reiterate our commitment to the ceramics industry, ensuring that we break down barriers, and reduce and remove tariffs to our ceramic exports in a way that is consistent with the UK values that I know both he and I share.

Damian Collins (Folkestone and Hythe) (Con): The Minister will know that when new trade agreements or changes to trade agreements can affect other areas of policy, there are, understandably, questions, so I thank him for meeting me on numerous occasions to discuss digital and trade policy. Specifically looking at the EU-Japan trade agreement, will the Minister say whether that agreement will change the enforcement powers for people's data protection rights? Has his Department already consulted, or does it intend to do so, directly with the Information Commissioner on that?

Greg Hands: I thank my hon. Friend for all his interaction. As the former Chairman of the Select Committee on Digital, Culture, Media and Sport, he has genuine expertise in this area and has continued his interest in it. He mentioned the EU-Japan trade agreement, but I think he is really asking about the UK-Japan trade agreement and the difference with the EU-Japan deal. If I commit to write to him in some detail on exactly where those differences are, he will be able to see them. I expect the report that is being submitted to Parliament will look at those differences in some detail.

Clive Efford (Eltham) (Lab): Is it not true that the Government have just overstated the ease with which they would be able to do all this? We were going to have 40 trade deals on 29 March 2019, and we were going to have a trade area bigger than the EU, which was going to include China and the US. Prime Minister Trudeau said the talks hit the buffers because of the inability of the UK Government to negotiate trade deals—that is the truth of it. What are the Government going to do to ensure not only that we get these rollover trade deals dealt with, but that we have proper scrutiny of them?

Greg Hands: I am glad the hon. Gentleman made his question as long as he did, because it gave me the chance to check the voting record on the Canada deal he just mentioned. He actually voted against it when the vote came to the House of Commons, so it is a bit rich of him now to complain it is not being rolled over.

Stephen Metcalfe (South Basildon and East Thurrock) (Con) [V]: Will my right hon. Friend join me in congratulating the officials and Ministers in his Department on achieving 74% of the continuity agreements we wanted with non-EU countries? Will he further update the House on the progress he intends to make with the other 26%?

Greg Hands: Mr Speaker, I think I will use a cricketing analogy: we are 74 not out.

Rachael Maskell (York Central) (Lab/Co-op): At a time when our economy is in peril and just 44 days before we leave the transition arrangements, we still have no agreement with the EU. Fifteen continuity agreements are yet to be agreed, breaching the Government's own deadline which the Prime Minister clearly said was immoveable, yet the Trade Minister comes to the Dispatch Box and says that he will extend provision into January. Will he tell businesses what will happen to their trade with those 15 countries on 1 January, so they can now make their plans?

Greg Hands: It is relatively straightforward. If the agreement is made with the remaining countries and there is not the time to put it through the CRaG process before 31 December, it has the potential to be provisionally applied. The terms of that agreement will remain on 1 January in accordance with the existing EU deal going into that time, so there should be no interruption for businesses. Parliament will still have the opportunity, under the CRaG process, to give that agreement full scrutiny.

Simon Jupp (East Devon) (Con): I commend the great work of the Minister and the Department so far in securing trade deals across the world. West country produce is already the pride of a nation and it is proudly found on shelves from Stornoway to Sidmouth. Does he agree that by continuing the great work to break down the barriers to trade, we can export the best of the south-west and promote the finest standard of produce across the world?

Greg Hands: I spent part of my childhood in the south-west, and I remember only too well the quality of its produce in the agrifood sector. We are negotiating better market access in markets such as Taiwan, China and the United States, where we have just had our first shipment of British beef this summer. We are also reducing tariffs in important areas such as the dairy sector, for example, on cheese, in some of these markets. This is part of a continuous engagement for UK agriculture.

Mr Speaker: We have a bad connection with Marion Fellows—we have tech problems—so we are going to go to Dr Neil Hudson.

Dr Neil Hudson (Penrith and The Border) (Con) [V]: I am pleased that the Government have strengthened the Trade and Agriculture Commission, announced more robust parliamentary scrutiny of trade deals and provided reassurance that products such as hormone-treated beef and chlorine-washed chicken will remain banned in the UK. Does my right hon. Friend agree that writing specific unacceptable products such as those, and others such as ractopamine-fed pork, the excessive use of microbials and the use of growth promoters, into specific chapters in trade deals would be a practical way of ensuring that high standards are encouraged globally? Does he agree that such an approach would make it clear to both parties in trade deals that those products are not going to be traded, allowing other, acceptable products to be encouraged and therefore driving up animal welfare standards globally?

Greg Hands: I thank my hon. Friend for that question. I think he is asking me to ban things that are already banned and put it in writing. Let me make it clear that we remain absolutely committed to our high food safety, environmental and animal welfare standards, on which he and I fought the last general election. We have ensured that the law offers protections for the existing standards,

so that they will remain in place. Under the European Union (Withdrawal) Act 2018, the products he mentioned will remain illegal after 1 January.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): As chair of the all-party group on Africa, I wish to emphasise the importance of trade between the UK and Africa. By offering Ghana levels of market access that differ from those of its neighbours in the regional trading bloc ECOWAS—the Economic Community of West African States—the Government are forcing Ghana to choose between new trade barriers within ECOWAS or tariffs with the UK, which would plunge Ghana's banana and cocoa producers, many of whom are already in poverty, into even more extreme poverty. So instead of bullying countries such as Ghana, will the Minister work with African countries to agree deals that promote trade and fair, sustainable economic development?

Greg Hands: I know, from previous meetings that the hon. Lady and I have had, her passion and commitment to the UK's trade with Africa. On Ghana, I look at the situation closely, as does the Under-Secretary of State for International Trade, my hon. Friend the Member for North East Hampshire (Mr Jayawardena). We are clear that there is a deal on the table. It replicates the EU stepping stone agreement. There is no evidence to suggest that the EU stepping stone agreement in any way discriminates in respect of Ghana's trade with the rest of its ECOWAS partners. We have also to be clear that the UK will follow World Trade Organisation rules on discrimination between economies of similar levels of development when it comes to trade agreements. That is very important, for example, for the generalised system of preferences. The best thing for us to do is for the UK and Ghana to sign that deal that is on the table.

Martin Vickers (Cleethorpes) (Con): It is clear from the meeting that I held with the Minister's colleague, the Under-Secretary of State for International Trade, my hon. Friend the Member for North East Hampshire, last week that any accusation of foot dragging in dealing with these continuity agreements is clearly not correct. I am working with businesses in my constituency to take advantage of the widening trade opportunities. Does this Minister agree that Members from across the House should be working with businesses to ensure that we maximise the benefits of the trade policies being pursued?

Greg Hands: My hon. Friend is right; we can have an esoteric discussion about trade policy, tariffs, quotas, automated tariff quotes and all this kind of stuff, but it must work for our consumers and our businesses. The whole point of doing trade policy is to make sure it boosts UK exports and inward investment in this country, and does good work for UK trade, consumers and businesses in constituencies such as his.

Wendy Chamberlain (North East Fife) (LD): While the Department for International Trade attempts to strike trade deals, its counterparts in the Department for Business, Energy and Industrial Strategy are using the United Kingdom Internal Market Bill to expand the powers of the Competition and Markets Authority. There is a growing concern that the Office for the Internal Market could be used to challenge the devolved Administrations by, for instance, American investors with an interest in a trade deal. Can the Minister confirm whether he or the Secretary of State have had any discussions with their foreign counterparts over the role of the expanded CMA and the Office for the Internal Market?

Greg Hands: Of course the whole Government take a common approach to the United Kingdom Internal Market Bill. It is important for our trade partners to know that the UK has a well-functioning and efficient internal market. The measures that have been taken are necessary to protect the integrity of the UK's internal market, which is extremely important for Scottish businesses, particularly if an agreement with the EU cannot be reached. I commend the United Kingdom Internal Market Bill to the hon. Lady for her further consideration in both Houses of this Parliament.

Rob Butler (Aylesbury) (Con): Businesses in my constituency trade heavily with other nations, and obviously they want to get deals that will enable them to continue to do so as easily as possible, but they also know that deals have to be fair to both parties, whether that is two companies or two countries, so does my right hon. Friend agree that we should stand firm for British interests and not just accept any terms that are offered?

Greg Hands: My hon. Friend is absolutely right. Even in the negotiation of continuity agreements, it is important to ensure that we get the best possible deal for British consumers and British businesses, including those in his Aylesbury constituency.

Tony Lloyd (Rochdale) (Lab) [V]: The Minister glossed over a question raised by my hon. Friend the Member for Brent North (Barry Gardiner) earlier. My hon. Friend made the point that the CRaG procedures were established when the European Union was our main negotiating host and the scrutiny came through that process. Does the Minister accept that public distrust of bad trade agreements and public confidence in trade agreements will be established by parliamentary scrutiny, and will he now re-examine whether these procedures are adequate for a modern trading country such as the United Kingdom?

Greg Hands: As I pointed out earlier, we have added quite a lot and gone beyond the CRaG process to ensure that Parliament is incredibly well informed. Over the course of this year, we have had many debates and published many documents, impact assessments, economic assessments and now reports on individual trade agreements. Parliament has been kept very well informed. When it comes to public distrust, the data shows that the UK public remain strongly in support of free trade.

Felicity Buchan (Kensington) (Con): As my right hon. Friend and neighbour knows, I am Scottish born and bred. Will he confirm that we will look to put in place deals that benefit all four nations of the United Kingdom and all regions?

Greg Hands: I thank my hon. Friend and parliamentary neighbour for that question. We will always take the time necessary to negotiate the right deals that work for all nations of the United Kingdom and for all the regions of England, including our own region of London,

as witnessed by the UK-Japan deal and the importance that that gives to UK financial services, which I know are very important to her constituents and mine.

Antony Higginbotham (Burnley) (Con): I congratulate my right hon. Friend on the work that he and the team at the Department for International Trade have done in signing not only continuity trade agreements but trade agreements around the world that have the potential to benefit the whole economy and, importantly, local businesses in Burnley and Padiham. Can he reassure me that we will continue to work at pace to deliver even more agreements?

Greg Hands: I can, and may I just say what a brilliant voice for Burnley my hon. Friend has been in this House over the last 11 months? I can confirm that we are working very hard indeed on the remaining continuity agreements, but let us also recognise how far we have come in the agreements that we have already got.

Margaret Ferrier (Rutherglen and Hamilton West) (Ind) [V]: Scrambling at the last minute has been a feature throughout the Brexit process, and the UK Government's approach to trade agreements is no exception. The Minister's predecessor used to say that the EU trade deal would be the "easiest in human history", yet that is now a race against time too. Will the Minister launch a full review of the timeline and negotiating strategy for future trade arrangements, so that they are not blighted by the serial incompetence that we have seen over the last four years?

Greg Hands: I think the hon. Lady asked about scrambling at the last minute, but we have done deals with 52 countries that account for £142 billion of bilateral trade. That is a huge amount: 74% of the value of those non-EU countries' trade before the start of this process. We look forward to further continuity agreements in the coming weeks.

James Sunderland (Bracknell) (Con): I welcome today's update on continuity trade agreements. Does my right hon. Friend agree that the future looks very promising for global Britain, and that we are much better off together as the Union?

Greg Hands: I am delighted with the confidence that my hon. Friend has in the UK's ability to carry out trade going forward. Under the Secretary of State's leadership, and thanks to the whole team, all the people involved in the programme and an incredibly large amount of hard work, I am confident that we are in a good place today. I appreciate that that is also coming from my hon. Friend and his constituents.

Points of Order

1.35 pm

Layla Moran (Oxford West and Abingdon) (LD): On a point of order, Mr Speaker. I am grateful for the opportunity to make this point of order on the important matter of the country's international development budget. It is unacceptable that we have heard in the media this morning that the Government are seriously giving consideration to reducing that budget from 0.7% to 0.5% of gross national income. The UK's development spending has been the difference between life and death for countless vulnerable people across the world. I seek your guidance, because surely it is unacceptable that, yet again, we are hearing such things in the media as opposed to the Government coming to this House so that we can have a proper debate. If this is going to happen, what options are open to me and other Members to try to rectify the situation and quickly get clarity from the Government? Surely they would have to bring a Bill to the House to reverse this provision.

Mr Speaker: As I know the hon. Member will expect me to say, that is not a point of order, but of course it is important that she has raised the issue. I hope that the Secretary of State for Foreign, Commonwealth and Development Affairs and the Ministers who now have that responsibility, have been listening to what she said. If there is going to be a policy change, I would expect the House—not the media—to hear it first, as we keep emphasising. It is media speculation at this time. The hon. Member has some good avenues through which to pursue the matter; some named day questions would be a good start. However, I am sure that it is only media speculation. Surely a Government would not use this House as a secondary vehicle, when it should be the primary one.

Sir Christopher Chope (Christchurch) (Con): On a point of order, Mr Speaker. Following on from your reference to named day questions, may I ask what can be done to ensure that we get timely responses to those questions? I have 12 outstanding named day questions to the Department of Health and Social Care, one of which is over six months late. Others are over a month late, including questions the answers to which I think might be of interest to the Prime Minister—for example, about policy relating to those who are immune through antibodies. I have also raised one matter not just as a named day question, but twice during debates on the Floor of the House, when I have asked the Department, and the Secretary of State in particular, for the evidence in support of the assertion made to the House on 1 October that

"hundreds of thousands of deaths…would follow"

if the Government

"just let the virus rip".—[*Official Report*, 1 October 2020; Vol. 681, c. 503.]

Where is the answer to the very reasonable question that I submitted?

Mr Speaker: I know that the hon. Gentleman—as a person of long standing in this House, and great knowledge—knows that there are other avenues to pursue. Let me say once again that it is totally unacceptable for Members of Parliament not to get responses within the named time. The Procedure Committee will be listening to

what we have already said, and I know that the Leader of the House is very concerned. The title is "named day questions", and those questions should therefore be answered as such. It is completely unacceptable for questions not to be answered after six months. I am tempted to say that if there were an urgent question to be asked on the subject of named day questions, one could be tempted.

In order to allow the safe exit of hon. Members participating in this item of business and the safe arrival of those participating in the next, I am suspending the House for three minutes.

1.39 pm

Sitting suspended.

Virtual participation in proceedings concluded (Order, 4 June).

Doctors and Nurses (Developing Countries) Bill

Motion for leave to bring in a Bill (Standing Order No. 23)

1.42 pm

Mr Andrew Mitchell (Sutton Coldfield) (Con): I beg to move,

That leave be given to bring in a Bill to require the Secretary of State to report on the merits of a scheme for the United Kingdom to pay to train two doctors or nurses in developing countries for each doctor or nurse recruited to the National Health Service from those countries.

I am extremely grateful to you, Mr Deputy Speaker, for granting me this opportunity to make the case today for my Bill—my first ten-minute rule Bill since I was elected to the House 33 years ago. I am supported by a distinguished cross-section of Members from both sides of the House. I believe this Bill to be uncontroversial, but a genuine boost for the reputation of global Britain and the international values that this House supports, particularly ahead of the integrated review. It builds on the past reputation of our country as an international development superpower. We were the first of the major developed countries to honour our promise to the world's poorest people to spend 0.7% of our gross national income as part of our mission to elevate the lives and social conditions of some of the most desperate people on the planet—people deprived not for any reason of their own, but because of where they were born.

One of the proudest moments of my political life was when the coalition Government, in spite of the austerity that our country faced back in 2010, declined to balance the books on the backs of the world's poor and agreed to honour the 0.7% promise. I am still certain that that chimes with the values and instincts of the vast majority of our fellow citizens, even at such a dreadful time as this for so many.

Secondly, I want to emphasise how much we rely on those doctors and nurses and other healthcare workers who bring their talents and skills to this country to support our NHS from overseas. We respect them and we are hugely grateful to them. Indeed, if I may use a second world war analogy, much beloved by some of my hon. Friends, the heroes of this war against covid are not, as in the battle of Britain, the men and women of the Royal Air Force but, all too often, workers from overseas working in our hospitals, giving their all in our care homes, putting themselves in harm's way, and often living on the minimum wage.

When we persuade a doctor from the developing world to come here, we do so in the knowledge that our gain will inevitably be their country's loss. In this country, we have 215 doctors, nurses, health workers and midwives from Sierra Leone; from Nigeria, 4,099; from Pakistan, 3,394; from Ghana, 1,118; and from India, just short of 20,000. All these countries are developing nations with whom we have, or have had, a significant development partnership. What I am describing—the export to us of their doctors and clinicians—is reverse aid: not from Britain to help developing countries, but from those developing countries to help Britain; and it is clearly wrong. In Britain, we have one doctor for every 357 people—effectively, three doctors per 1,000 people—with some 15% of our nurses coming from overseas and about a quarter of our doctors.

[Mr Andrew Mitchell]

What should we do about this dependence on doctors from overseas, and especially from the developing world, where we are effectively poaching their key public assets? First, we should grow more doctors and nurses here in the UK. The Government have recognised this and increased the number of doctors trained here from 6,000 a year to 7,100 from 2018. It was particularly good to see that universities like Aston in Birmingham now run a foundation course bringing more students from disadvantaged backgrounds into medicine.

We recognise also that it would be wrong for us to end the opportunity for those doctors in the developing world who wish to exercise freedom of movement. The House will be as shocked as I was to hear that not long ago there were more doctors trained in Sierra Leone practising medicine in Manchester than were practising medicine back in Sierra Leone—the country that had trained them. We should not restrain their career opportunities by cutting off their ability to come here if they wish and if we want them to do so.

So let us work with the grain of human nature, do the right thing, accept our moral obligation to people much less fortunate than ourselves, but also meet the needs of our citizens and ensure that they have the best possible healthcare. Therefore why not do the following? For every doctor or nurse we poach from a developing nation, we should ensure that that developing country—on losing their trained professional to our advantage—receives from the existing British development budget sufficient resources to train up and replace them, two for one? When we are lucky enough to secure such professionals from the developing world, we should replace them twice over, and expand their public health services accordingly.

Remember these figures: in Britain, one doctor for 357 people; in Nigeria, one doctor for 2,753 people; and in Sierra Leone, 1.4 doctors and nurses for every 10,000 people. Ghana—a country with which Britain has a close historic relationship—has in the upper east region, one of its poorest, one doctor for every 26,000 people. All the time, these countries, too, are fighting covid. Nigeria has 64,000 cases, Ghana has 49,000 cases, and Sierra Leone has 2,385 cases. India has an estimated shortage of no fewer than 600,000 doctors and 2 million nurses. India, where Britain actively recruits doctors, has one doctor per 10,189 citizens and has 30% of all the world's acute child malnutrition.

The case we make to Parliament and the Government today is as follows: it is immoral and selfish for Britain, with its wealth and infrastructure, to poach doctors from the developing world. However, by taking the action I have suggested, we can turn that into a win-win for us and for developing countries. It would not be right to fetter freedom of movement for those medical and health personnel who wish to come here and who we as a country wish to admit—and to whom we are truly grateful for bringing their skills to these shores. By replacing twice over the health service professionals who come here from developing countries with which Britain has a close development partnership, Britain can help to meet its own healthcare needs while providing additional healthcare capacity within those countries.

On 1 January, the UK takes over the chair of the G7 group of nations. At a time when the new US President-elect is determined to reinvigorate the international rules-based system, when this major pandemic has destroyed lives and livelihoods around the world, and when we know that covid will not be beaten here until it is beaten everywhere, especially in countries with weak public health infrastructure, Britain's international development leadership and commitment to the 0.7% promise to the poor—Britain's example—have never been more needed. My Bill will contribute to that leadership and to the international progress we so badly need.

Question put and agreed to.

Ordered,

That Mr Andrew Mitchell, Nicola Richards, Bob Stewart, Dame Margaret Hodge, Sir Edward Leigh, Jess Phillips, Caroline Nokes, Hilary Benn, Sir Robert Neill, Harriett Baldwin, Crispin Blunt and Ms Harriet Harman present the Bill.

Mr Andrew Mitchell accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 8 January 2021, and to be printed (Bill 213).

National Security and Investment Bill

Second Reading.

1.52 pm

The Secretary of State for Business, Energy and Industrial Strategy (Alok Sharma): I beg to move, That the Bill be now read a Second time.

Our country has always been a beacon for inward investment and a champion of free trade. We recognise and celebrate the positive impact of these twin policies in delivering prosperity and opportunities across the United Kingdom. Over the past 10 years, the UK has attracted around three quarters of a trillion dollars of foreign direct investment, which in turn has helped to create 600,000 new jobs in our country.

In 2019-20 alone, more than 39,000 jobs were created in England thanks to foreign direct investment projects, with more than 26,000 of those jobs created outside London. Almost 3,000 jobs were created in Scotland, and more than 2,500 in Wales and 2,000 in Northern Ireland respectively. That is why we will continue to work relentlessly to ensure that the UK remains a great place to do business and invest. That approach is more important than ever as we look to business to create jobs in our recovery from covid-19.

The UK is very much open for business, but being open for business does not mean that we are open to exploitation. An open approach to international investment must also include appropriate safeguards to protect our national security. Those are not conflicting approaches; prosperity and security go hand in hand. Otherwise, we leave the United Kingdom open to the risk of being targeted and compromised by potential hostile actors who are looking to disrupt our economic and wider security.

Ms Nusrat Ghani (Wealden) (Con): From the moment that this Bill was started to now, we have learnt a lot more about security and infrastructure. Does my right hon. Friend share my concerns that the Chinese national intelligence law requires Chinese firms to assist with state intelligence work? This was brought to light for me when TikTok gave evidence to the Business, Energy and Industrial Strategy Committee. I am incredibly anxious about the data that it could potentially be harvesting and sharing back with its parent company, ByteDance.

Alok Sharma: I know that my hon. Friend cares very deeply about this issue and, indeed, she and I have had discussions about it. I would say to her that the Bill is agnostic as to the domicile of an acquirer. I think that that is right and proper, but it is also right and proper that we look at every single transaction on a case-by-case basis. Let me assure her that if there are security concerns with any transaction, of course we will act.

Bob Seely (Isle of Wight) (Con): There is a lot in the Bill that I am sure we all support, but does my right hon. Friend accept that without a public interest test, a character test, an anti-slavery test and a human rights test, the definition of national security being offered here is extraordinarily narrow and problematic to the broader age that we live in? Does he accept that there will be debate around that point—about what constitutes national security in this age?

Alok Sharma: My hon. Friend raises a point that I know he has raised with my fellow Ministers, and other colleagues will raise a similar point. He talks about modern slavery. He knows that the Government passed the Modern Slavery Act 2015. The Home Office is looking to update and strengthen that. I note the points that he has raised, but the whole point of the Bill is for it to be narrow on national security grounds, and that is the way that it was constituted when it was first discussed in the Green Paper in 2017 and in the White Paper in 2018. However, I will try to address some of the points that he raised as I go on.

Those who seek to do us harm have found novel ways to bypass our current regime by either structuring a deal in such a manner that it is difficult to identify the ultimate owner of the investment, or by funnelling investment through a UK or ally investment fund, or indeed, by buying or licensing certain intellectual property rather than acquiring the company. Be in no doubt that the UK and our allies are facing a resurgence of threats. That is why we are updating our powers to screen investments into the UK. Our current powers date back to the Enterprise Act 2002. Technological, economic and geopolitical changes across the globe over the past 20 years mean that the reforms to the Government's powers to scrutinise transactions on national security grounds are now required.

Mr Kevan Jones (North Durham) (Lab): I welcome a lot of the proposals in the Bill, including on the issue of land and the removal of the thresholds in terms of ownership. One way that people have been able not only to get influence in this country but to launder money has been through the purchase of large amounts of property in the UK, which were highlighted in the Intelligence and Security Committee's report on Russia. Does the Secretary of State see the Bill addressing that issue?

Alok Sharma: I will go on to the detail of that particular issue, but as the right hon. Gentleman identified, the Bill looks at assets and intellectual property. On the point that he raised about the size of transactions, as he knows, under the 2002 Act, apart from some limited exceptions, businesses being acquired must have a UK turnover of over £70 million or, indeed, the merger must meet a minimum 25% market threshold. This means that acquisitions of smaller but technologically sensitive companies are not covered.

The Government have been clear for a number of years about our intention to introduce new powers. Many of our international allies, including our Five Eyes partners, have also acted to update their legal frameworks to address national security risks. We, in turn, are seeking to update our legislation in a proportionate manner to ensure that we have more security for British businesses and people from hostile actors targeting our country; more certainty for businesses and quicker, slicker screening processes as we remain open to trade and recover from covid-19; and a regime that is in line with our allies, meaning that investors will be familiar with this approach.

Let me turn to some of the specifics of the Bill. Part 1, chapter 1 introduces a call-in power that the Government may use in relation to a trigger event across the economy that they reasonably suspect has given rise to or may give rise to a risk to national security. Trigger events include acquisitions of certain shares or

[Alok Sharma]

voting rights in a qualifying entity, and the acquisition of material influence over such an entity. As the right hon. Gentleman pointed out, it will be possible for the first time to call in the acquisition of a right or interest in a qualifying asset, including intellectual property, where such an acquisition would enable the acquirer to use the asset or control or direct how it is used. That is similar to the US and other countries' regimes.

The call-in approach is consistent with the 2002 Act, but importantly there are no minimum thresholds for the size of the business or asset to be acquired. That means that sensitive businesses and assets that may previously have slipped under the minimum size threshold will no longer do so. That will close the back door into the United Kingdom that hostile actors could exploit.

However, it is important to reassure the investment community that the Government expect to use these powers sparingly. We estimate that less than 1% of transactions in any given year will be subject to call-in. For transactions that fall outside the mandatory requirement of the regime, the Government will be able to call in a transaction within a period of five years of a trigger event having taken place where they have not been notified. When the Government become aware of a trigger event having taken place, they will have six months to issue the call-in notice. That five-year period is, again, consistent with regimes in Germany and France. The Bill requires that the Government publish a statement of policy intent explaining how they expect to use the power to issue a call-in notice.

Should the Bill become an Act, the Government's call-in powers will apply from the date of introduction and will cover transactions that complete during its passage. That will ensure that hostile actors do not rush through the completion of transactions between the introduction of the Bill and Royal Assent as a means to avoid scrutiny under this legislation. My Department has already set up an investment security unit to field enquiries from businesses and investors about transactions under the new regime.

Under the National Security and Investment Bill, there will be no requirement to publish call-ins. That is of course in contrast to the public interest intervention notices under the 2002 Act.

Aaron Bell (Newcastle-under-Lyme) (Con): I welcome what the Secretary of State just said about the call-in power. Will he confirm that, as a result of the measures in the Bill, most transactions can take place within 30 days, which means that the UK will remain a venue, and be an even better one, for foreign direct investment as we seek to rebuild our economy following coronavirus?

Alok Sharma: My hon. Friend makes a very important point. We are giving certainty, and we expect that most call-in decisions will be decided upon within 30 days. I said that we expect that less than 1% of all transactions in any given year will be called in, and only about 10% of those will then face detailed scrutiny.

Mark Pritchard (The Wrekin) (Con): Will the Secretary of the State provide clarity to the House about the jurisdiction of the Bill? For example, if a German technological company was listed in Germany but the IP and research and development was based in the UK, what powers would the Government have to act?

Alok Sharma: This Bill applies to any transaction that relates to an asset or entity in the United Kingdom. If that were the case, of course it would apply.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I am interested in that point. If a malign actor made an investment in another country with a lower-standard test, which then invested in the UK, putting intellectual property rights at risk, where do the UK Government go on that? Do they give themselves the scope, which I do not see in the Bill, to act on the basis of the original investment?

Alok Sharma: I thank my right hon. Friend for his question. He has taken a great deal of interest in this legislation, and we have spoken about such matters. As I said earlier, the whole point of the Bill is that we will be able to scrutinise the precise details of a transaction and of who the ultimate beneficial owner of a particular acquiring entity may be. I would therefore hope that the Bill will indeed cover the particular set of circumstances he outlines.

Going back to the point about providing assurances, businesses and investors can be reassured that the Government will treat potential national security risks with the discretion they deserve.

Turning to the mandatory notification elements of the Bill, investors in 17 prescribed sectors of the economy will be mandated by law to notify the Government of acquisitions of entities above a certain threshold of shareholding or voting. That mandatory notification process is similar to the approach taken in the United States, Germany and France. The Government have, alongside the introduction of the Bill, published an eight-week consultation to refine the definitions of those 17 sectors. The discussions that I and other Ministers in the Department have had with the investment community suggest that that has been extremely welcome.

Many sectors, of course, are well defined, and the purpose of the consultation is to refine them further so that the definitions are clear and narrowly focused on specific parts of sectors in which risks are most likely to arise and will allow parties to self-assess whether they need to notify. The House will appreciate that we could not have published the consultation before we introduced the Bill, with its call-in powers, or we would have risked hostile actors completing transactions in the particularly sensitive sectors.

Richard Fuller (North East Bedfordshire) (Con): My right hon. Friend is quite rightly focusing on precisely defining the sectors. Was he as concerned as I was to hear the Opposition spokesman say today that he would prefer a strategy that did not have that definition, relying instead on the whimsy of a particular Secretary of State at the time? That situation could, like it does in France, lead to a yoghurt company or water bottle business being defined as a national strategic asset.

Alok Sharma: My hon. Friend speaks with a great deal of interest and experience in investments. This Bill focuses on national security, and we have been clear that we will define the sectors where mandatory notification is required, which is right and proper. The whole point of the Bill is that we are taking a proportionate approach. We do not want some kind of chilling effect on investment coming into the UK. We have been a beacon for inward

investment over many years with, as I said earlier, three quarters of a trillion dollars coming into our country over the past 10 years. We would not want that to change.

Transactions covered by mandatory notification that take place without clearance will be legally void. Again, that is in line with the French, German and Italian regimes. Parties to an acquisition may, of course, voluntarily inform the Secretary of State about their acquisitions to seek swift clearance to proceed. We have also streamlined the information required for notification from 36 pages, as required under the Enterprise Act 2002 for competition modifications, to a third of that.

The use of digital processes will make interaction with the Government much simpler, more transparent and slicker, and Government will aim to provide clearance for most transactions within 30 working days of notification, as my hon. Friend the Member for Newcastle-under-Lyme (Aaron Bell) raised earlier. Having spoken to the investment community over the past week, I know that that timely approach to the clearing of transactions is welcomed.

Moving on to the assessment of called-in transactions, part 2 of the Bill provides powers to assess transactions should the Government call one in. Where the specific legal test is met, the Government may impose conditions or, in extremis, block or unwind transactions. I stress once again that the Government will use those powers sparingly and proportionately.

The Government will take the necessary powers in the Bill to gather information about any transaction. However, such information will be strictly safeguarded against inappropriate disclosure. That includes, of course, information from parties, regulators and others to make informed decisions on transactions. If no remedies are imposed, a final notification will be provided at the end of a national security assessment. Alternatively, the Government may choose to prescribe remedies.

Any notification decision under the Bill will be subject to legal challenge from the potential acquirer entity by way of judicial review or appeal, and the Government will be able to apply to the court for a closed material procedure to protect commercially sensitive and national security matters in such proceedings. The investment security unit will ensure that the entire process is streamlined and supported by robust digital structures and governance to ensure swift decision making on assessments.

It is worth noting that the new regime will be underpinned by both civil and criminal sanctions, creating effective deterrents for non-compliance with statutory obligations. Again, that is in line with sanctions in the French and German regimes.

Mark Pritchard: Is it not the case that a call-in itself could be commercially sensitive, particularly to a listed company? In that regard, a default of self-referral to the Government would probably be a better way for industry to ensure that share prices are not unfortunately affected by what might be a legitimate call-in.

Alok Sharma: My hon. Friend raises an incredibly important point. Of course, self-referral, as he refers to it, is possible. In fact, if any company has particular concerns as to transactions that they may be undertaking or part of, they will get a swift assessment from the Government.

I make the point, though, that we will not be effectively publicising call-ins when they take place. Clearly, at the end of a transaction, if there was a particular remedy, that would be made public. It is also worth pointing out that the Government will publish an annual report, not on individual transactions, but on the scope of the transactions and sectors that have been looked at. I hope that that will give future investors an opportunity to consider the type of transactions in which the Government have a particular interest.

The final measure that I want to detail relates to the overseas disclosure of information relating to a merger investigation. Under section 243 of the 2002 Act, there is a restriction on the ability of UK public authorities to disclose merger information to overseas authorities unless the consent of the entity has been given. Clause 59 of the Bill removes that restriction. That will strengthen the Competition and Markets Authority's ability to protect UK markets and consumers as it takes a more active role internationally, allowing the UK to set up comprehensive competition agreements with our international partners.

In conclusion, I hope that right hon. and hon. Members on both sides of the House see that the Bill updates our national security powers in a proportionate, pro-trade and pro-business manner.

Bob Seely: Unless I missed it, there is no definition of national security in the Bill. Will the Secretary of State provide a definition or will he commit to putting one in the Bill to give us something to work with?

Alok Sharma: My hon. Friend raises an important point. As he will know, and I am sure appreciate, I am not going to be able to set out every single test that we will apply when it comes to a national security assessment. The application of the tests will, of course, be based on information that we garner from across Government. He can be certain that in using the powers, the Government will act in a quasi-judicial fashion, we will have regard to the statement of policy that has been published, and we will act, again, in accordance with public law principles of necessity and proportionality. I also made the point earlier that any decision can, of course, be challenged by an affected entity.

Stewart Hosie (Dundee East) (SNP): Before the Secretary of State moves on, will he give way?

Alok Sharma: I will move on, if that is all right with the hon. Gentleman.

These powers are narrowly defined and will be exclusively used on national security grounds. The Government will not be able to use these powers to intervene in business transactions for broader economic or public interest reasons, and we will not seek to interfere in deals on political grounds. They will not and cannot be used for wider economic tests. The Government already have proportionate powers in statute for intervention on the grounds of competition, financial stability, media plurality and combating a public health emergency. Going further than that would risk chilling and destabilising investment in the United Kingdom and reducing growth opportunities and jobs.

The UK has the lowest corporation tax rate in the G20. We are rated one of the most innovative countries in the world, ranking fourth in the 2020 global innovation index.

[Alok Sharma]

We are one of the top 10 countries in the world for ease of doing business. We have a world-leading research and development environment, and the stability of our institutions, tax system and legal framework are respected globally. It is because of our pro-market approach that the United Kingdom has become one of the premier places to invest in the world, and I certainly would not want to do anything to change that. The powers we seek in the Bill support and enhance our pro-business environment, supporting economic growth, prosperity and jobs across the United Kingdom, while enhancing security for our country. I commend the Bill to the House.

2.16 pm

Edward Miliband (Doncaster North) (Lab): I will start with the vital context to the Bill. At the heart of it is the first duty of any Government: to protect our national security, while meeting the shared desire across the House for our businesses to succeed and create wealth and jobs. The Bill must be seen against the changing geopolitical and economic landscape; the evolving nature of the threats to our national security in an age of rapid changes in technology; the lessons of covid about the critical nature of unexpected threats, including pandemics, which has thrown into sharp relief the critical need for advanced domestic capabilities in manufacturing and logistics and across supply chains; a shared sense across the House that we as a country have at times been too relaxed about some overseas interests investing in our country, with damaging national security implications; and an understanding that the existing legislation supported across parties two decades ago does not provide the basis for the kind of active industrial strategy that we need to build a safe and successful economic future. Those factors together demand legislation, and that is the context in which we view the Bill, so we support it and the fact that the Government are taking the necessary legislative steps to protect our vital national security interests. It is the right thing to do for our country.

Our main argument with the scope of the Bill is not so much about what it seeks to do on national security but what it omits on wider issues of industrial strategy. It is notable that the Bill brings us into line with other major economies on the security questions we face but fails to do so on broader issues of public interest and takeovers going beyond national security, despite the clear lessons that have been shown over the last decade. I will return to that point later in my speech, but first let me focus on the specific provisions in the Bill.

We should be candid that, in drafting the Bill, the Government face the very difficult challenge of keeping our economy open as much as possible to foreign direct investment, which is part of the lifeblood of business and jobs, and protecting our security. Navigating that challenge is hard, which is why getting the specific provisions of the Bill right is so important. This is obviously reinforced by the fact that the Bill goes significantly further in a number of respects than the 2018 White Paper envisaged—notably, the mandatory notification obligation that will apply in 17 sectors and the question of five-year retrospective application.

I want to raise a number of issues about the Bill in the interests of the constructive scrutiny that is the role of this House. These questions are about the scope of the Bill, the issue of retrospection, the capacity of the Government to make this regime work and the scrutiny of its effectiveness.

First, on the scope of the Bill, we do not take issue with the 17 key sectors identified by the Government. In quantum technologies, engineering, biology, space and a range of other emerging technologies, there are serious potential issues around national security. For example, the acquisition by a firm owned or funded by a foreign power of a company that designs graphic processes, networking routers or microchips could potentially risk national security, especially if the products are used by the UK Government. That is why the legislation is necessary.

However, as the Secretary of State acknowledged, the Bill goes well beyond those sectors. The call-in ability stretches to any entity or asset in the UK, irrespective of sector. While that was true in the old regime, this power will be viewed in the context of a much more activist, interventionist Government approach. We do not say that is wrong, or indeed out of line with some other countries, but there is a danger of a potential deterrent effect on investment.

To be fair to the Secretary of State, in his statement of policy intent accompanying the Bill he says that in those non-mandatory areas,

"transactions are only expected to be called in on an exceptional basis."

The central question for businesses and investors in the non-mandatory sectors will be to decide whether or not to notify. The central challenge for the country is to make sure that investors are not put off from investing in the UK.

I would say to the Secretary of State that there is not yet clear, targeted guidance for market participants on how and when they should notify in those non-mandatory sectors; further detail on that will be crucial in due course. The Secretary of State will be aware of the example of the suspicious activity reports from financial institutions to the National Crime Agency where the system has, according to the Law Commission, been "swamped". As with suspicious activity reports, there is a risk that the voluntary notification system sees businesses err on the side of over-reporting; the impact assessment already estimates that at least 1,000 notifications will be made each year. I hope that, during the passage of the Bill, Ministers can offer reassurance on that point.

Secondly, I want to raise the issue of retrospection. The Government consulted on a six-month retrospective power to call in transactions for review, and certain respondents expressed the view that that was too long. The Government have chosen to go much further—for five-year retrospection. I appreciate that that is similar to France, Germany and Italy, and we have no inherent objection to it if the case can be made, but I have read carefully the Government's response to the consultation, and I do say to the Secretary of State that Ministers need to do a better job of explaining the change in thinking to such a lengthy period.

In particular, I wonder whether Ministers would explain what the experience has been in those countries that have five-year retrospection—whether they have looked at its effects. As well as the possible deterrent effect on investors, there is obviously a massive challenge in unwinding a transaction that has taken place at five years' remove. It would help if Ministers explained that, because

there could be a subsequent series of transactions, so that unwinding from that would be very complex. There is also the issue that has been raised about the voiding, which is that a notifiable acquisition completed without the Secretary of State's approval is void—not unwound by the Secretary of State, but automatically void without any decision required on his part. That is an unusual concept, and Ministers need to explain how it will work.

Thirdly—this is really important for practical purposes—I want to focus on how Government can guarantee an effective regime for the new powers. The Government have proposed a new investment security unit in BEIS. It is hard to overestimate the extent of the challenge for the new unit. It will have to respond to a large volume of mandatory, and potentially voluntary, notifications within a tight timeline set out in the Bill. The start of a new regime will always be turbulent.

The unit will have to track the development of fast-moving, highly complex technologies and monitor each of those markets, and the Secretary of State will have to take decisions on the advice of the unit, which can be challenged in court in the context of highly sensitive information and wide-ranging powers. And the unit will need to develop policy, practice and precedent to provide certainty to a wide swathe of the economy. These are, as I am sure the Secretary of State knows, significant challenges, and it is no exaggeration to say that the success of the regime and the effective functioning of an important part of the economy rest on the new unit operating swiftly and effectively. If I may put it this way, the Secretary of State will be aware that his reputation and that of future Business Secretaries—not to be presumptuous —will depend on the resourcing and functioning of the unit.

I want to raise in particular the issue of small and medium-sized enterprises, which may well find the notification process most burdensome. Take the example of a small tech start-up founded by recent university graduates, who might incur much more debilitating costs in navigating the process than a large global corporation. It is essential that the Government find ways to mitigate this risk.

In any case, my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah) and I are seeking from Ministers assurances that the unit will be adequately resourced, with access to the right technical capabilities; and crucially, there must be a clear flow of information and shared priorities between the unit, protecting our national security, and the Department of International Trade's new office for investment, whose job is to get inward investment into the UK.

Mr Kevan Jones: Does my right hon. Friend agree that what is also going to be needed is some very close relationships and working with the security services, because the information that it could rely on in these cases will mostly not be accessible straightaway by this new unit?

Edward Miliband: My right hon. Friend speaks with great knowledge on this issue, and he is completely correct. Indeed, I do not want to answer for the Secretary of State, but one of the issues that was raised was the definition of national security. These things are hard to define, for a whole range of reasons that we can understand, but for the reasons that my right hon. Friend set out, it is absolutely crucial that there is a close relationship with the security services.

Sir Iain Duncan Smith: Does the right hon. Member agree that the definition of national security provided in spheres such as the United States and Australia would actually help clarify for companies an idea of whether they are likely to fall within it? Without that, they are not quite sure what the judgment will be behind closed doors.

Edward Miliband: The right hon. Gentleman has taken a huge interest in these issues and, again, speaks with great expertise, and he may well be right that it is possible to do more on the definition. I am sure that is something the Secretary of State will consider. I can see there are definitely challenges, but I would agree with the right hon. Gentleman that the more guidance there can be for business about this, the better, because the more we will avoid a mountain of notifications that are not necessary and the more clarity there will be, the greater protection for our economy.

Fourthly, I want to talk about the role of this House in scrutinising the effects of this legislation. A large number of areas are left to delegated legislation in this Bill. Notably, the Bill enables Ministers to add new sectors to those subject to mandatory notification. I understand some of the reasons for this, but I do hope there can be proper scrutiny, if that is the case, in this House and, indeed, interaction with business. Given the sensitive nature of the issues involved in this Bill, I do think there needs to be a way—an annual report is envisaged, I believe, by the Secretary of State—for this House to monitor how this is working in practice.

I do not speak for it, but we have a special Committee of the House—the Intelligence and Security Committee—that can look at these issues. I would like to raise the question with the Secretary of State whether it could play a role in scrutinising the working of the regime and some of the decisions being made, because there are real restrictions on the kind of transparency there can be on these issues for the reasons raised by my right hon. Friend the Member for North Durham (Mr Jones). The ISC is in a sense purpose-built for some of these issues.

Again, this is one of a range of issues we will seek to raise during the passage of the Bill, because I think that it is really important. We see our role as a constructive Opposition to get this right. There is a shared understanding across this House that we need to update our legislation. There does need to be proper scrutiny, and I hope that there can be good scrutiny in Committee and an openness on the Government side to the points that are made across the House in relation to improving the legislation and a proper way to look at its operation, which is vital to our businesses.

Bob Seely: Is the shadow Secretary of State aware that some people on this side of the House, as part of this process and as part of the scrutiny, have been calling for an annual statement on strategic trade dependency to give ourselves an overview and an understanding of the strategic direction of some of our industries, including specific examples?

Edward Miliband: It sounds like a good idea to me, and I would welcome that. Actually, that is a convenient segue to the wider points that I want to make on this Bill.

[Edward Miliband]

Our view is that this is only one part of the change we need, because I believe that the existing legislation has been found wanting. That legislation was passed by a Labour Government—I checked—and I think it was more or less agreed across parties; certainly, the then Opposition did not vote against it. It has been found wanting not just on national security but on wider issues such as the public interest test for takeovers on economic grounds.

I just want to raise a very specific issue, because it illustrates the point. We are in the midst of a threatened takeover in the tech sector: the Nvidia-ARM deal. We know that ARM is the crown jewel of the British tech sector. We know that Nvidia competes with companies to which ARM supplies. There is a widespread view across the tech sector and across this House that this takeover could be a risk to the future prosperity and success of the sector in the UK, but looking at the Secretary of State's statement of intent, I do not think that it falls in this list. The list of trigger risks are: disruptive or destructive actions; espionage; or inappropriate leverage. Those are not the issues with Nvidia. The issue is our wider economic interests, which speaks to the point that the hon. Member for Isle of Wight (Bob Seely) made.

In the two months since the takeover was announced, we have heard little from Ministers. It is true that there could be a referral on competition grounds—I am sure that the Secretary of State is a bit constrained in what he can say about this, but let us hear it if there is. But we are deeply worried about the future of ARM. We are worried about the strength of the legal assurances on its headquarters and other matters. It would be good if Ministers could tell us what they think about this issue. These are deeply serious issues about our industrial strategy and our economic base, and they go beyond national security and, on my understanding, the tests that are set out in the Bill.

Andrew Griffith (Arundel and South Downs) (Con): The right hon. Gentleman speaks very lucidly about the deterrent effect, which he talked about earlier, as well as some of the challenges in establishing this new unit. Surely he must understand that the answer to this is to make sure that the scope of this Bill is absolutely as narrowly drawn as it can be. With respect, he has fallen into the trap of immediately hanging Christmas-tree-like baubles of employment policy and other areas of his industrial policy in what would otherwise be a very narrowly drawn and constructive Bill.

Edward Miliband: I really appreciate the hon. Gentleman's point. These are not Christmas tree baubles that I have suddenly raised now. In 2010, there was the issue of the Kraft takeover of Cadbury. In 2014, there was the threatened takeover by Pfizer of AstraZeneca that had deep implications for our science base. I have felt for a decade that our legislation is not fit for purpose—and I acknowledge completely that this legislation was put in place by the Labour Government. These are deeply serious questions about the future of our industrial strategy and industrial base.

I do not pretend that these issues are easy to resolve. Of course there are dangers on both sides of the ledger, and we have to strike a balance between those two dangers, but we have enough experience with Kraft-Cadbury and with Pfizer and AstraZeneca— which did not happen, but not because of any powers of Government—to be anxious about Nvidia-ARM. If, as I believe, the whole basis of this legislation is to say that other countries are taking this action when it comes to national security and so should we, the logic applies here as well. It is not straightforward, it is not simple, and I completely acknowledge that to the hon. Gentleman, but I see the case for change.

Richard Fuller (North East Bedfordshire) (Con): The right hon. Gentleman used the phrase "I feel" and then talked about confectionery, then about how he felt about pharmaceuticals and about semiconductor chips that are used in mobile telephony. That is the problem, is it not, Mr Deputy Speaker? His feelings are not an appropriate way to interfere in the development assets of private capital. What could he provide to those businesses to protect their development from the vagaries of his feelings from time to time?

Edward Miliband: It is interesting; I believe the hon. Gentleman supports this Bill—I may be wrong—but on national security, the Government will apply some tests and we could apply some tests when it comes to our industrial base. Let me make this point to him: it is not just France, but Germany, Australia, Japan and the United States. It is all the other major industrial economies that say, "Well, no, we do have a strategic interest in certain industries." Of course, if we decided to go down that route, we would have a debate in this House about the specific areas in which we wanted to be able to intervene. We would have to look at exactly the criteria, and it is not just about whim, but the question is: is the status quo adequate?

I say to the hon. Gentleman that the status quo is not adequate, and we do not just have 10 years or more of experience to suggest that the status quo is not adequate; we also have a real situation now with Nvidia and ARM. If anyone in the House wants to get up and say, "We think it is fine. We think this should just go ahead. We are not concerned about what that means for our tech sector", then fine, but everybody I speak to in the tech sector who knows about this issue, including my hon. Friend the Member for Newcastle upon Tyne Central, says that there is a real worry. Why have we not developed enough of these world-leading companies in this country? Why do we want to see ARM taken over?

Andrew Griffith: The right hon. Gentleman is probably aware that on the journey to build the fabulous enterprise that is ARM, which is still employing thousands of British people and will continue to employ many more in the Cambridge artificial intelligence hub, that business made 22 acquisitions to equip itself to be where it is today. Had each and every one of those been subject to the jeopardy and the predations that he talks about, we may not have great British businesses like ARM in the future.

Edward Miliband: The hon. Gentleman is absolutely entitled to his view; we just have a difference of view on this. When it comes to our industrial base, I believe that the current legislation is inadequate, and there have been a series of events that illustrate that point. Indeed, I would make this point as well, which is that the Government say that the crisis of coronavirus makes parts of our corporate sector more vulnerable, and I think that only strengthens the case for action.

The overall point I would make is this: I welcome the Bill and think it is the right thing to do, but there is a broader picture here about what a modern industrial strategy looks like, and I do not think we can ignore these vital issues around our economic and industrial base.

Several hon. Members *rose—*

Edward Miliband: I have such an array of options. I think the hon. Member for Newcastle-under-Lyme (Aaron Bell) was first.

Aaron Bell: I thank the right hon. Gentleman for giving way. He is perhaps proposing an industrial strategy Bill, rather than a national security Bill, but on innovation and science and technology, does he not worry about the chilling effect of what he is proposing? Individuals who may be setting up a scientific or technology company might prefer now to do that in the United States, where they have every option of going to California and setting up the company in the first place, rather than setting up in the UK, because they might fear that he, as a potential future Secretary of State, as he indicated earlier, might prevent them from cashing in on what they have done?

Edward Miliband: The hon. Gentleman makes the point that the United States has exactly the regime that I am talking about and does indeed have those wide powers of intervention, so the notion that people are going to set up in the United States rather than Britain, when they have much stronger powers than us, does not hold water.

Tom Tugendhat (Tonbridge and Malling) (Con): The right hon. Gentleman is of course right that there is a difference between the United States and the United Kingdom. One difference is that there are 350 million people in the United States. It is a continental power, a position that the UK sadly does not share. It does mean that our investment regime and our investment protocols have to recognise that we are having foreign direct investment of a very different nature.

I appreciate that this is a matter for debate, and I also appreciate that this is something where we will probably not agree. In fact, interestingly, the right hon. Gentleman seems to align much more closely with the Prime Minister's former special adviser Mr Dominic Cummings than he does with me. Apart from that, it is actually a matter for a separate Bill. I may actually have some views where I sympathise more with him, but this Bill is quite clearly about national security. There are issues about how much further it should go, but what he says is not the scope of this Bill.

Edward Miliband: I can say to the hon. Gentleman that this is the first time I have been called a Cummings-ite. I have been called many things in my time, but a Cummings-ite after Cummings is really unusual.

The final point I will make before I conclude, because many hon. and right hon. Members want to speak in this debate, is that when I listen to Government Members, I feel that they accept the logic that we have to move away from the old view—the two decades ago view best embodied perhaps by the Enterprise Act 2002—when it comes to national security. They say, "We are worried about the investment effects, but national security matters." Of course it does, and I agree with that. But then, when it comes to our industrial base, suddenly they have a completely different view, which is, "No, no, no. We can't go back. We can't change our view." I think there is a degree, dare I say it, of inconsistency on that.

Mr Kevan Jones: Is there not a direct national security issue around telecoms? When BT was privatised, the old General Post Office was advanced in both mobile technology and fibre optics. It was because the Thatcher Government decided to throw it open to the open market that the advantage we had in this country was lost. That is why we now find ourselves at the mercy of Huawei and other companies.

Edward Miliband: My right hon. Friend makes a very important point. Indeed, my hon. Friend the Member for Newcastle upon Tyne Central and I were discussing this very issue last night—that these issues can interact.

I will just say this and then I will conclude, Mr Deputy Speaker, I promise. I think the public are in a different place from some of the Government Members who have spoken. I think the public really recognise this issue. We have many great companies, but some of them have been subject to takeover, and the public do not really understand why and they do not really understand why the Government have not played more of a role. I can see some hon. Members nodding.

Updating legislation to protect national security is long overdue, and we welcome it. We will support the Government as they seek to protect national security and defend our country. We will push them to go further on industrial strategy and the takeover regime. We think this is the moment to be bold and develop the industrial strategy that 21st century Britain needs, but we want to see this Bill pass through the House. We will engage on it constructively, and I know from the Secretary of State and the way he operates that he will do the same.

Mr Deputy Speaker (Mr Nigel Evans): As Members will notice, the call list is quite extensive and it is top heavy on the Government side, so please be mindful, particularly on the Government side, of the length of your contributions.

2.41 pm

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): It is always a pleasure to follow the right hon. Member for Doncaster North (Edward Miliband), not only because he followed me into leadership and discovered exactly how pointless that really was. On that we can immediately agree, and he may well have stumbled into another point of agreement; he should know, now that he is a Cummings-ite, that I once employed him and then let him go, so maybe it is time for the right hon. Gentleman to do the same. Anyway, beyond that, I want to congratulate him, because there were things on which I did agree with him, as well as, obviously, things that would need further discussion.

I thank my right hon. Friend the Secretary of State for his deliberations on the Bill, which I will support tonight. It is long overdue. The debates around the Huawei stuff at the beginning of the year really exposed the fact that the UK had lost its way in this area in terms of threats and so on. We were behind the others—Australia, the United States; some of our big Five Eyes compatriots—but at least my right hon. Friend has grasped the nettle and brought this Bill forward, which is laudable. I also thank him for his courtesy in the

[Sir Iain Duncan Smith]

course of this, in the sense that he spoke to me and, I know, to others. I particularly commend the courtesy of his Minister, the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), who is a very good friend. He went out of his way to talk this through with colleagues on both sides of the House.

This debate is in that context. This is right. I particularly like clauses 32 to 39 and onwards, which deal with penalties, fines and incarcerations, the scope of which is up to five years. These are strong recommendations—slightly stronger than I expected, to be quite frank, but they are well worth it. There are many other good things about the Bill. I will not run through them all, because the Secretary of State did that, and I want to tease out a few points that I think are relevant and need inquiry.

The Bill gives the Secretary of State great powers for industrial strategy—powers to screen these investments that we have been discussing and to address the national security risk that they involve. It also gives him the power to call in investments. We have been through those already. However, I want to pick up on the things that I think are missing from the Bill and that I hope the Secretary of State will look at again in the course of its passage.

First, we have to accept that parked across this space are two very big threats: Russia and, of course, China. In fact, I think China is now the single biggest threat and problem posed to the United Kingdom and the free world. The way it is going—its problems, its difficulties, and the way it is focusing on internal suppression, external expansion and trashing both World Trade Organisation rules and laws—means that we will have to deal with that, and I suspect that this Bill will progressively be right in the middle of that. In dealing with that, I want to raise a couple of issues. In dealing with that, I want to raise a couple of issues.

Without this definition of national security, the Government are giving a stick to beat themselves with at the moment. Having such a definition is important for two reasons. First, it helps to improve clarity—a couple of my hon. Friends wanted clarity. I have looked at some of the definitions out there, including the American definition, which may not be perfect but it does cover some of the wider areas that I will talk about soon under transnational crimes and goes into things such as threats from drug trafficking. It is important for the Government to think carefully about this because it will help to define the Bill.

Bob Seely: On what the shadow Secretary of State said, there is obviously a genuine and good debate to be had on the elements of the Bill. This is not necessarily about industrial policy—I say with great respect to those on the Benches opposite—which is part and parcel of another debate. It is about the modern definition of national security and whether we see it as narrow or broad, and there is a strong argument today for having a broader definition of national security.

Sir Iain Duncan Smith: I agree with my hon. Friend and I agree that this is not the Bill to discuss industrial strategy. The right hon. Member for Doncaster North made wider points which I think are worthy of discussion, but I am not sure that that discussion should take place in relation to this Bill and I want to keep this narrow.

First, in China something very special is taking place: the idea of civil-military fusion, which is now infecting every single enterprise and company in China. The Chinese military, as we have already heard, uses this concept and strategy to acquire intellectual property, technologies and research for civilian use and for military use. An external investment screening body, therefore, should be set up under this legislation, to establish and investigate cases where this may now affect UK investments. This is very important, because the rules are very strictly applied in China: you co-operate with the intelligence services or you are out of business. You may be out of not just your livelihood but your freedoms.

Ms Ghani: Is it not even more dangerous in that, under the national security law in China, not only do people have to hand over data, but if asked by a foreign state they have to deny they are handing over data? If that is the case, should we not have a bigger debate about social media companies based in this country harvesting our data and our children's data and where that data might end up down the line?

Sir Iain Duncan Smith: I of course completely agree with my hon. Friend and I was just going to come on to the data harvesting point, because it is caught in this. She is right that China's national intelligence law requires all Chinese firms to assist with state intelligence work and to deny that if they are asked. Let us say the Secretary of State wants to investigate and says he has strong penalties for non-compliance. By law in China they are not allowed to comply with that process at all, so there is already a national conflict in this. TikTok is owned by ByteDance, which is a very dodgy company set up in China that has huge links with the Chinese Communist Government. So we need to be very careful about where we go with this because UK nationals might get caught up and get punished for what is essentially a refusal by the Chinese Government to allow others to do this.

I am also slightly concerned about some of the things that happened in the past not being caught by the Bill. The Henry Jackson Society has today announced that, having looked through the Bill, only 23 of the 117 Chinese acquisitions over the last decade would have actually been caught. The areas that are outside of this include pharmaceuticals. The Chinese takeover of Bio Products Laboratory, which has a very significant technology with regard to blood products, would not have been caught. In education, 10 universities have many thousands of obligations to Chinese investors, where they get a trade-off on technology, some linked to defence firms. That would not have been caught. Interestingly, Thames Water and Veolia Water have significant share ownership from Chinese firms, but that certainly would not have been called into question.

Richard Fuller: My right hon. Friend is referring a lot to China, and I am sure he will not be alone in that this afternoon. Is his perspective that we should be looking in the Bill to restrict all Chinese investments in the UK, or investment in particular sectors, and what is the differentiation if the origins of that is the Chinese state, in this fusion of the state with business?

Sir Iain Duncan Smith:: My view is that the Bill should help us to identify exactly which of these are genuinely private and not located in China under Chinese law.

That will be a big issue. I have to tell my hon. Friend that, on that question he is right, because I believe we are now facing a very significant threat from China. So we now need to use the Bill to figure out how we deal with that threat on a wider basis, not just on individual takeovers. The Government need to look at that. Huawei was a very good example of Government policy having to be reversed on that basis. It is a growing problem and he is right to raise it.

Richard Graham (Gloucester) (Con): Does my right hon. Friend agree that it is incredibly important that we recognise that the Bill is not aimed at one particular country or any particular identified sovereign threat? It is a more general Bill about the importance and value of national security assets in this country. Does he also agree that referring to China as communist—although, of course, it is ruled by the Communist party—is a misnomer in the context of a successful model of authoritarian state capitalism with which we will have to deal and the world will have to deal? We will have to separate those companies that offer attractive investment opportunities from those that are genuine threats.

Sir Iain Duncan Smith: I thank my hon. Friend for that intervention. I know he has been a big champion of that relationship. We do not agree with each other on this matter because I think that China, with its dictatorial Government, poses a very significant threat. But I did speak about other countries—I did say that Russia also poses a threat—so I recognise his defence.

I want to move on to the national interest test. This year, the Australian Government invoked the national interest in looking at tests and they used it in similar legislation to block the acquisition of a minor stake—this might deal with the issue that my hon. Friend was talking about—in AVZ Minerals by a Chinese firm. They needed to intervene because the asset, given what has happened with covid and so on, had lowered in value unusually and unnecessarily, and that had opened it up to a takeover which they felt would have been very unhelpful. The other point I want to raise in passing is that we need to look at things like the Confucius Institute, which is here investing in universities with offers but is actually acting on behalf of the Chinese Government to follow lots of Chinese students around.

Other Members wish to speak, so I will finish my remarks. My main point is that without that national security test the Bill will lack clarity and definition, and fail to understand sometimes where it is actually looking. It could be open to pressures to turn this more into an industrial policy statement, rather than a national security issue.

The Bill also falls short of similar legislation by Five Eyes partners. My right hon. Friend the Secretary of State is absolutely right to say that they have looked across the scope of what others have done, but other Five Eyes partners have gone further on this. They are competitor countries to us, so it is not as though they have any kind of dictatorial regimes. The Committee on Foreign Investment in the United States and the Australian Foreign Investment Review Board are external bodies.

This is the point that I wanted to make to my right hon. Friend. I just wonder whether he might want to reflect on the nature of the pressure on somebody such as him, who, under the Bill, will have to sum up and make final decisions on the advice peculiarly to him. The other two organisations, in Australia and in the United States, have the ability to say that everybody on the panel makes a group decision on the evidence. I know he will argue that that process takes longer—yes, he may be right about that—but I feel that the pressure is on him.

I was in government for six years and I know what Downing Street does. It gives you a call and says, "I don't think you have to go very far with this sort of stuff, do you? After all, this is worth a lot of money to us. Come on." Others will say that and the Secretary of State will be sitting there thinking, "This is a balanced judgment. Where do I go on this?" I just wonder whether that pressure is fair on the Secretary of State. He would be questioned later on why certain decisions were made. If I was the Secretary of State, I would want to release myself from that situation. I would not want to be dragged to the courts to be accused of being biased in that decision and making a decision that was not agreeable. So I would look for more external bodies to be able to make that judgment.

I also say to the Government that human rights are vital nowadays. We cannot walk away from it; it is part of what makes us. The reality for us is that far too many companies have allowed themselves to quietly get sucked into the use of slave labour and other labour. We know about that, in Xinjiang province and in other areas too. My right hon. Friend does need to think about that very carefully. I do not want to make the Bill a Christmas tree, but elements of that are involved.

I congratulate the Government on bringing forward the Bill. It is the right legislation to bring forward. It is overdue, no question. However, the balance still needs to be widened somewhat. I hope that in the course of the Committee and Report stages the Secretary of State will accept that good amendments may come forward from brilliant people—not just me—who may well be able to help him in his adventures.

2.55 pm

Stewart Hosie (Dundee East) (SNP): I start with my ISC hat on because it was the ISC that first investigated UK Government powers and processes for scrutinising foreign investment in sensitive areas of UK industry, found them lacking and called for more powers. In its 2013 report, "Foreign involvement in the critical national infrastructure", the Committee looked into the issue of

"foreign investment in the Critical National Infrastructure (CNI)"

and concluded:

"The difficulty of balancing economic competitiveness and national security seems to have resulted in stalemate."

That is not a criticism and it is not meant to be contentious. This issue has arisen over the past few years and most, if not all, advanced economies are now grappling with it. I therefore welcome the Bill, in principle, or certainly a measure like it.

While on the subject of the ISC, I offer the apologies of its Chair, the right hon. Member for New Forest East (Dr Lewis), who is self-isolating having been contacted by the English version of Trace and Protect, and is sadly missing this debate.

The Bill is designed to bring additional scrutiny of foreign investment that may have an impact on national security. I say from the outset that not only is there

[Stewart Hosie]

nothing wrong with having a national security eye on investments in critical areas—it is in fact absolutely vital.

Currently, as we have heard, the ability of the Government to scrutinise investments on national security grounds contained within part 3 of the Enterprise Act—that is, the mergers provisions—is rather limited. In practice, it means that the UK Government are unable to scrutinise on the grounds of national security without the investment first meeting competition concerns or, in very limited circumstances, a public interest test. We know this concern and similar concerns are shared globally. A number of other countries have been tightening up their investment security regimes in response to changing national security-related threats, enabling technology, the loss of intellectual property and the increasing crossover between sectors, which I may touch on later. The Committee on Foreign Investment in the United States is largely seen as setting the standard. We have also seen tightening in Japan, Canada, Sweden, Germany and France at least, with the Japanese regime extraordinarily strict, in some cases limiting ownership to barely 1% of active management or, more accurately, to barely 1% of a company in certain circumstances.

In the UK Government's proposals, if both the trigger and the threshold are met, the individual investment can be called in by the Secretary of State for approval. The powers can be retrospective; it can be called in after it has occurred. However, the time to conduct the national security assessment—30 days, with potentially an extra 45—might be deemed to be a little short, given how shrewd, or clever, certain institutions, organisations and individuals are at hiding genuine beneficial ownership. One thinks how long it took to find where beneficial ownership existed for some entities in the UK. Were it not for the Panama papers, we would probably still never know. I therefore question whether that maximum of 75 days is actually sufficient.

The Bill adds a mandatory notification scheme whereby investment interests in certain sectors and asset types—which I do not demur with—must be pre-emptively or retrospectively declared, but it removes notification of call-ins from the competition authority to a direct serve from the involved parties. In the interests of transparency, I seek clarity from the Government on the reasons why notification via the CMA is being removed.

The Bill also introduces new powers to increase screening in respect of health and preventing hostile acquisition through strategic buying of health supplies, for example. I welcome that, but the scope of activities that might be caught is very wide. There may be a good reason for that, but it is worth exploring. The statement of policy intent describes the core areas as including things such as advanced technology, which is perfectly reasonable, but it also contains a much wider definition of national infrastructure. The impact assessment for the Bill estimates that the new regime would result in between 1,000 and 1,830 transactions being notified per year. That is very specific and it is also an eye-watering number, given that only 12 transactions were reviewed on national security grounds since the current regime was introduced 17 years ago. The necessary resources, as the right hon. Member for Doncaster North (Edward Miliband) said, and access to intelligence agency assessments, as the right hon. Member for North Durham (Mr Jones) said, must be available in the proper manner in order to carry out the work.

Mr Kevan Jones: Does the hon. Gentleman share my concern that the Bill sets out a voluntary reporting and a notification system, but it is not clear how the security services enact any concerns they may come across into this system? I shall be making the point that I do not think this should sit within the Department for Business, Energy and Industrial Strategy. Does he have concerns on that issue?

Stewart Hosie: I absolutely agree that these services should not sit within another Department. I am not sure whether it would be appropriate for them to be able to request call-ins directly, not least because where the information came from would then become abundantly clear, but there must be a mechanism whereby information that an agency comes across can be fed in to the proper people in order for this call-in to happen.

It is also self-evident that Members considering this legislation need to have far more information to understand the reasons for the Bill and the changing nature of the threat it is designed to counter. We also need carefully to assess the impact the Bill will have on sectors and infrastructure, not just in the UK as a whole, but in the devolved Administrations and in the English regions, in the light of the future economic opportunities they see and the plans they are already putting in place. It is far too soon to seek assurances, but I hope the Minister will wish to take a little time just to convince himself that there are no unintended consequences, either for the UK or for the Scottish Government's inward investment plans, when Government agencies of all sorts are out actively seeking investment in some of the areas that may be deemed to be critical national infrastructure. As an example, let me cite the whole of Scotland's tech sector, but that of Dundee in particular. It now has a digital ecosystem that spreads out across academia and through gaming, software design and development, and data centres. Many of the component parts of that have cross-sectoral application, some of which, depending on who owns them and who wishes to use them, could certainly raise a national security concern, depending on how bits of tech are deployed. How do we ensure collectively that the Bill does not impede growth or investment in such areas?

I also briefly wish to raise, at this early stage, some issues about implementation. The Bill is set to radically overhaul the UK's approach to foreign investment, at a time of significant economic uncertainty. On leaving the EU, the UK Government cannot afford to get their global Britain approach wrong and suffer what has been described as the "chilling effect" on investment if this appears heavy-handed. So let me turn briefly to some of the possible implications and costs of these measures.

First, the impact assessment suggests a net cost to business of £43 million. Can the Government confirm whether that is the direct cost, or whether the figure includes the cost of lost investment? I suspect that it is the former because the latter is incalculable, but if the Government get this wrong, the true figure in lost investment, and the concomitant loss of output and productivity, could be substantial.

Secondly, the impact assessment suggests that microbusinesses are in scope. As the Secretary of State will know, some of those businesses develop high-tech, cutting-edge intellectual property, and their business models include selling tranches of shares to raise cash throughout the development and life of the business. What assessment has been made of how these measures might stifle that investment and growth?

The third point is specifically on universities and academia. Throughout the whole UK, universities all have incubators, start-ups, spin-outs and commercialisable research. What assessment has been made of their ability to continue to thrive if the measures in the Bill inhibit investment by proposed sales being called in—because word will get out—or even investment being put off because of the potential additional risk of those sales being called in? We do not yet quite know what the impact on academia would be. There are some wider concerns about the possible impact on essential investment in energy, particularly renewable energy, and the possibility of retaliatory action against UK investors overseas, but I think they can be explored later in the Bill's progress.

Let me return to one particular issue. I said earlier that the impact assessment suggested notifications of up to 1,800 transactions a year. In clause 7(4)(c), the Bill describes a qualifying asset as

"ideas, information or techniques which have industrial, commercial or other economic value."

I know that this is not the Government's intention, but wielding a hammer or welding a pipe are techniques that have economic value, and my concern is that companies erring on the side of caution will refer or notify themselves when they need not.

I have three brief questions that were sent to me by the Photonics Leadership Group. I intend to ask these questions now because they will be typical of what many industrial and new tech sectors are asking. First, there will be a huge number of research groups and businesses for which this Bill is relevant. Has the Department for Business, Energy and Industrial Strategy considered the number involved, and is it ready for the volume of submissions? Secondly, the information that has been sent out to relevant groups includes a flow chart, which suggests that businesses currently engaged in relevant business have from 12 November until this Bill is passed to register. This would suggest that the process is live already, but there appears not to be a template to allow businesses to contact BEIS and ask the question. Thirdly, since many in the sector cannot rely on foreign investment, how are the Government planning to replace this should there be the chill on investment that some fear?

I am pleased the Secretary of State said that the assessments would be based on information gathered from around and throughout Government, because I think we need to make our own geopolitical assessments. But the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) quoted the Henry Jackson Society. It would be unfortunate if we found that our assessments of which investments may or may not be aligned were being driven, pushed or prodded by someone else's geopolitical assessment. I say gently to the Secretary of State that we need to guard against that to ensure that national security is protected, but that we do not have the chill on investment that is possible if we get it wrong.

3.9 pm

Greg Clark (Tunbridge Wells) (Con): It is a pleasure to follow the thoughtful speech of the hon. Member for Dundee East (Stewart Hosie). May I join my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) in paying tribute to the Front-Bench team for their courtesy in being open about the development of the Bill and for their communication with all parties in the House?

This is an important Bill at an important time. In recent years, we have seen a tendency on the part of some countries to move towards national measures that seek to protect their domestic economics from the open conditions of international trade, not only in goods and services but in ownership and intellectual property, and we of all nations should be a voice against that. Few nations have prospered through pursuing a policy of national self-sufficiency. Over time, they have become deprived of innovation, competition and investment, although the exposure and experience of international trade and investment can be disruptive and uncomfortable. In the end, workers become less productive than in other countries, consumers pay more and those countries use technology that is behind what other more open economies allow. In other words, they become less prosperous.

The importance of this Bill pivots on its title. Is it exclusively about national security, or is "and Investment" a doorway to a more restrictive view of overseas investment more generally? I am pleased that my right hon. Friend the Secretary of State made it absolutely clear that the Government have decided that it is the former, rather than the latter, although there are some dangers that I want to touch on.

Do we need a statutory framework to ensure our national security when it comes to commercial investments? Yes, of course we do. There are commercial activities conducted in this country that are essential to our national security—defence contractors are an obvious example. Public policy has always recognised that, whether through the use of export controls on their products or, in the case of ownership, through golden shares and the intervention powers of the Enterprise Act 2002 for national security, which have been referred to.

Does the framework need to be kept up to date? Yes, of course it does. As the Secretary of State made clear, technologies that are now pivotal to our national security had not been dreamed of 18 years ago when the Enterprise Act passed through this House. The nature of some of those technologies is such that their financial value may not be reflected in the ownership of the company concerned, so they may be pivotal but not trigger the turnover test. The turnover and the value of the transaction may not be a dependable guide to their importance to national security. The control of those technologies may not be confined any more to takeover bids for public companies; it may include ownership outside the stock market of intellectual property or other assets.

Most nations on earth have a framework for overseeing the national security consequences of investments. It is important that we have one and that ours is up to date. The Government are right not to expand the Bill beyond national security or to introduce, as the right hon. Member for Doncaster North (Edward Miliband) said, a wider public interest or industrial strategy test. I say

[Greg Clark]

that as the author of our current industrial strategy, of which an essential pillar is our business environment. That strategy says that we need to continue to be

"an open, liberal free-trading economy in which new businesses can be created easily"

and

"existing businesses can attract investment".

It is obvious that if a British company has succeeded and has made an international impact, we want it to continue to succeed and prosper in this country, and to do so with its headquarters and operations here. That goes without saying. The most important thing is that the company is founded and prospers in the UK in the first place, as my hon. Friend the Member for Newcastle-under-Lyme (Aaron Bell) said. Especially in fields such as the tech sector, if we tell the founders of new businesses that, should they succeed, they will be excluded from the possibility that they can receive overseas investment, or at the very least that it will be heavily questioned if they should cede control of the business, and that the more their business succeeds, the more draconian the restrictions are likely to be—although Silicon Valley continues to be a major source of international capital investment—the consequence, no doubt unintended, may be that those firms will not be founded here in the first place but will go to places where there is no risk of there being stranded assets.

Bob Seely: My right hon. Friend is making an important point, and there is clearly friction on this side over what we see as the crux, but does he accept that the United States and Australia—two free-market nations—will have significantly tighter restrictions after this Bill than we will, and does that concern him?

Greg Clark: Of course we should look at the example of other countries; I am sure we will do so during the course of the Bill. However, I would say to my hon. Friend that those two countries are very different in their markets and the size of their economies. The pool of capital that is available to start-up companies in the US is vastly greater than it is in the UK at the moment, although I hope that will change, for reasons that I will go on to discuss. Australia, conversely, is a much smaller economy, which does not have the network of policy regulatory innovation that we have.

We have been a leader; that is our international reputation, and one reason that transactions are conducted in this country is the confidence in our rule of law. We should emphasise and champion that, rather than feeling compelled to follow what other countries are doing in their entirety. Our policy—our industrial strategy—must be to make Britain an even more attractive place for innovative companies to be founded and to stay—not because they are compelled to do so, but because the environment that we provide, in terms of scientific research, educated and trained people, the availability of capital at every stage in their development and the public policy environment make it an attractive place for them to want to be.

Neither must our regime establish, in my view, a list of countries that cannot invest at all in the UK. The test must genuinely be about national security. That is very appropriate. China has been mentioned already in these discussions, and of course it is right and proper that the national security concerns that the House has about China should be reflected through this regime, and these powers are important for that. However, when I was sitting in my right hon. Friend the Secretary of State's place, I fought hard to save, for example, British Steel in Scunthorpe, Skinningrove and Teesside. The Chinese steelmaker that bought the company, Jingye Group, is essential to the employment of many tens of thousands of people across the north and the east of England, and more in the supply chain. From my recollection, there was no intellectual property vulnerability in terms of its operations. Indeed, the retention of that substantial steelmaking capacity has enhanced our economic resilience, whereas losing it would have seen us relying on imports. I might say the same for Geely, the owner of the London Electric Vehicle Company, which my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), being a west midlands MP, will be familiar with, and which gives valuable jobs to many people.

Richard Graham: My right hon. Friend is making a very good case for why it is important to look at each investment in its own right. Geely, which bought the London Taxi Company, produced electric vehicles and now exports them to the Netherlands and France while continuing to manufacture in Coventry, is a good example of why that is so important. Does he agree that it is simply not good enough for this country to say, "China is communist and we will not accept communist investment, and therefore we will not accept Chinese investment."? We must be a great deal more sophisticated and open than that.

Greg Clark: I would say to my hon. Friend that the Bill's focus on national security is absolutely right. We should have a beady eye on national security, with substantial powers, as my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) said, to enforce that. I think the Bill has it right in its focus on national security.

The Committee that examines the Bill will need to consider in detail some of the provisions of the Bill as it is presented on Second Reading. It is essential to provide investors and UK firms with a sense of predictability and confidence, but that can be undermined if the law has administrative consequences that are unintended and not provided for. For example, there are strong reasons to think that there may be a deluge of notifications, as the hon. Member for Dundee East said, when the new unit in the Department is set up, and it must be geared up to handle that right from the outset.

The prospect of five years' imprisonment for directors and fines of 5% of turnover, as my right hon. Friend the Secretary of State commends, for failure to notify under a mandatory regime within sectors defined as broadly as communications and transport is, in my view, likely to lead to many small transactions being notified under the voluntary regime for peace of mind regarding those very strong sanctions against an inadvertent breach. It is an enormous challenge for the Department to set up a new unit, especially since the current regime—or the previous one, since the powers are live—has dealt with a very small number of transactions each year.

As Secretary of State, I reduced the turnover threshold for review from £70 million to £1 million only two years ago. This Bill contains no de minimis threshold, and I will be interested to see during the passage of the Bill

evidence of why a zero de minimis threshold is necessary, especially when the definition of technology assets extends to "ideas, information or techniques", which is very broad. This could result in a very large number of very small transactions being notified defensively.

Even if businesses are confident that they will not be covered by the mandatory notification requirement, the advantages of voluntary notification and clearance, with its exemption from the five-year look-back, may prove to be very attractive and very important in baking in the approval of a transaction against reversal more than five years in the future. It is clearly the ambition of the right hon. Member for Doncaster North to add further public interest tests. As we approach the general election, it may well be attractive, as a defence against the action of future Governments, for companies to notify even when they do not have to. It is very important that the Department is geared up for that.

Much of the Science and Technology Committee's work in recent months has been concerned with the nation's response to the coronavirus. If we can learn one lesson from that—for example, from problems with the test and trace system—it is that, to have public confidence, we need to properly anticipate demand and to set up to meet it from the outset. If that demand is not supplied, public confidence, which is crucial for investment, will be undermined.

Sir John Hayes (South Holland and The Deepings) (Con): Does not the coronavirus provide us with another lesson, which is that Government historically have not been terribly good at assessing risk and modelling the response to it? I say that as a former Minister, like my right hon. Friend. I was always surprised, in all the Departments I served in, at how little time is spent on modelling outcomes of the kind we are now enduring.

Greg Clark: My right hon. Friend is right. To look ahead, we need to develop the capabilities to do that, and for a unit in the Department that previously did not have that responsibility—it was with the CMA, advised by others—that is a steep learning curve.

The foundational feature of the UK's commercial reputation in the world is a place where people and businesses all around the world can be confident in investing. That derives in no small part from a public policy regime that is rational, stable and rigorously and efficiently administered. We should continue to aspire to take a global position of leadership in this area, so I welcome the focus of the Bill and its ambition to bring our arrangements up to date. I look forward to helping ensure that we can be proud of the Bill and see it as a contribution to our continued reputation for having the highest standards of corporate government and investment security in the world.

3.23 pm

Darren Jones (Bristol North West) (Lab): Before I begin my remarks, I should declare my interests as chair of the all-party parliamentary group on technology and national security and the parliamentary internet, communications and technology forum APPG, whose members will no doubt have interest in the Bill; as the chair of a global network of legislators interested in artificial intelligence regulation called the Institute of Artificial Intelligence; and lastly, in my capacity as Chair of the Business, Energy and Industrial Strategy Committee, I have had discussions with the management of ARM, its founder Hermann Hauser and the CEO of Nvidia about the proposed takeover.

I support the Bill and thank the Secretary of State for briefing me on its contents last week. The ability to scrutinise foreign investment and to intervene when there are national security interests is not only a critical function of the state but an increasingly important one, given the impact of technology and data on every part of our economy and our infrastructure, and the use of that avenue to cause harm to Britain's interests. It is on that basis that we should have a robust scrutiny function, but it should also be finely balanced with the transparent, clear and pro-investment framework brought forward under this Bill. I agree with other colleagues around the House that, by international standards, Britain has been a bit of a laggard in recent years in bringing forward a robust foreign investment regime, and that is why we support the Bill, but I have a few questions today, which I hope the Minister might try to answer in summing up.

First, on the definition of sectors, the 17 sectors identified include some dual-use functions such as quantum computing, which at this point in its development seems obvious and indeed is in line with the recommendations of the Science and Technology Committee inquiry into quantum computing in the last Parliament, when I was a member of that Committee. However, as has been noted, other sectors are identified merely as "artificial intelligence" or "energy". Artificial intelligence, for example, is a general purpose technology that will increasingly apply to every aspect of our economy, so how we ensure robust and clear definitions will clearly be important.

It has been noted that there is a risk under the Bill of over-reporting as an insurance policy. I wonder whether lessons could be learned from other regulators—for example, by introducing regulatory sandboxes within the units in the Department where interested individuals might be able to come to set forward in advance the transaction and get some initial advice on whether it falls within the definitions. If it does not, I think there will be a risk of over-reporting, but also of court cases that dispute the definitions, which, in their own right, can be fairly limited in statutory instruments and will probably not apply to every circumstance. I reaffirm the comment from the Opposition Front Bench on engaging with Parliament on the sector definitions under the statutory instruments—and not just with Parliament as a whole but with the relevant Select Committees, including my own. I also note the interest of my hon. and right hon. Friends from the Science and Technology Committee, the Foreign Affairs Committee and the Defence Committee in this matter.

Secondly, on the definition of national security, there has been some debate in advance of the publication of the Bill on whether the Government were intending to go beyond national security and to look at broader economic or jobs-related issues. As my right hon. Friend the Member for Doncaster North (Edward Miliband), the shadow Business Secretary, said from the Dispatch Box, we think that there is some legitimacy to Ministers having a right to intervene when, for example, a major employer or a sector that is strategically crucial to the British economy is under threat from a legitimate overseas acquisition that could have an impact on British jobs or British industrial capacity. I welcome the comment that

[Darren Jones]

this is a broader industrial strategy conversation and note the Department's intention to rewrite that, as previously advised before Christmas, although it will presumably now take longer. I look forward to that broader debate, but I agree with colleagues on a cross-party basis that at least some legal structure around the definition of national security would be helpful, for reasons I will come on to later.

Thirdly, this is not just about mergers and acquisitions; as the Government's Project Defend assessment has shown, there are very long supply chains relating to critical national infrastructure, through which components are sourced from companies in jurisdictions about which Ministers might legitimately have national security concerns. I would be interested to hear whether Ministers plan to expand the scope of the Bill or bring forward other legislation in future to deal with supply chain intervention, in addition to or alongside merger and acquisition issues.

I also note that while clause 7 of the Bill covers all the corporate vehicles such as limited liability partnerships, trusts and limited companies, it excludes individuals. This is probably very limited, because individuals would not want to take on the liabilities of buying big companies, but I am sure there are potential cases where individuals will buy intellectual property or assets in their own individual right, whether it is a licence to intellectual property or actual property, as my right hon. Friend the Member for North Durham (Mr Jones) mentioned, and they would fall out of the scope of this Bill. I would be interested in the Minister's view on that.

Fourthly, the application of the Bill applies from the date of presentation, not from the date the Bill becomes law. It would be useful, given that this is now the regime in the UK, for the Department to set out what current takeovers will be subject to it. Colleagues have mentioned the ARM-Nvidia takeover, which of course is important to the British economy. I understand from press reports that the Department has not felt able to confirm whether that will be subject to this legislation, but I think it would be in Ministers' interests to be quite clear about that.

Equally, I would stress again the comments from the Opposition Dispatch Box about the length of retrospectivity. Five years seems a very long time, and I would be interested to understand why a period of five years has been adopted by the Government. One of the attractive natures of the British economy is our policy stability and the way in which the rule of law functions, and I share the concern that five years is a long time. There could be a change of Government, a change of Ministers, a change in leadership in the unit in the Department or a change in the view on national security that could start to unwind a transaction many years after it had gone through. Ministers need to consider that carefully.

Fifthly, we are still waiting for confirmation of the Government's intentions for our post-Brexit competition and state aid policy regime. Ministers have been quick to table statutory instruments to say that the European regime will not apply from 1 January but have not yet set out what will. The Bill is implicated in that process. It is the start of a post-Brexit state aid and competition policy. If the Minister feels able to give us a bit of a glimmer in his closing remarks about when the details of our post-Brexit competition and state aid policy might be published, I would be grateful.

Lastly, I am not entirely clear what the assessment process is under the Bill. In previous examples, such as the hostile takeover of GKN by Melrose, in which I declare a constituency interest, the national security assessments were undertaken by the Secretary of State for Defence and, perhaps for fair reasons, were done without much oversight or transparency. Given that all those sectors will now be subject to national security assessments, will it be the Ministry of Defence, the Department for Business, Energy and Industrial Strategy, the intelligence services or another body that undertakes them? It would be useful to have some transparency about who is making the assessment and how the Secretary of State will ultimately balance very difficult decisions.

In sum, I will support the progress of the Bill. I share some concerns about the speed and why it has been brought forward so quickly, and I reiterate my point about the statutory instruments, therefore, being an important part of parliamentary scrutiny when they are introduced. I hope that Ministers will engage fully in the consultation process with stakeholders to ensure that the new framework is not only fit for purpose but gets the crucial balance right between national security concerns and maintaining Britain's leadership as a pro-investment economy that fits with our broader regulatory position post Brexit.

3.31 pm

Tom Tugendhat (Tonbridge and Malling) (Con): I start, as many other hon. Members rightly have, by paying tribute to the ministerial team and the team of civil servants for their consultation on the Bill with not just Members of this House, but the wider business community. It is a hugely important Bill. When, no doubt, some of it becomes an Act, we will all be living with the consequences, which are difficult to imagine in a fast-changing world in which technology is evolving.

I welcome enormously not just the consultation that the Secretary of State has already contributed to, and which he has welcomed, but that which he has also invited, because that is a really important part of the next few weeks and months. It shows wisdom and extreme judgment to make sure that the Bill survives contact with the enemy.

I welcome the fact that the Bill has been crafted to recognise the competition that we are seeing increasingly between states. The Minister in his place, my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), as a former member of the Foreign Affairs Committee, knows only too well what we are seeing around the world and has regularly spoken with me about the various natures of competition that he, too, envisions. I welcome that he sees the Bill as being about the UK's response and ensuring the prosperity and happiness of the British people around the world.

Power is not just about state power; it is also about the economics of strategic challenge through business. As the sadly likely recession following the covid pandemic rises, the reality is that state capitalism will pose a greater problem. As the wells of private sector investment dry up, companies able to draw on national reserves may do better.

Other countries have already seen that and reacted early. In March, in response to similar pressures that the Secretary of State responded to earlier, the Australian foreign investment review board reduced the threshold

to zero for calling in acquisitions. In August, France reduced the shareholding required to trigger an inquiry from 25% to 10% for similar reasons. The United States has not followed suit on that basis, but the CFIUS regime, as we all know, is one of the most mature in the world. The Committee on Foreign Investment in the United States has, in some ways, led the way, so the need to adapt to changing circumstances is not so immediate.

For our Government to introduce the Bill now is a welcome demonstration that the UK sees the changing circumstances and recognises that state-owned enterprises pose a different threat from five, 10 or 20 years ago. The Bill also recognises, in the 17 sectors that other hon. Members have spoken about, the rapid pace of technological change that we are seeing and the urgency of making sure that we realise what we are looking at. As assets are being developed that are essential to our continued prosperity and security, they now emerge much more quickly than we ever imagined.

Indeed, I would argue that two of the biggest strategic losses for the United Kingdom in recent years were the 2014 sale of DeepMind to Google and the 2016 sale of ARM to SoftBank, but they have been completed. What those two firms have both enabled, however, is quite phenomenal. Deep Mind, which one can pretty safely say is the world's premier AI company, is an extraordinary asset. When it started in 2010, it was seen as a sideline, but today in 2020 it is seen very much as the main event.

The UK is not directly comparable with some of the other countries that we have spoken about. Some people have mentioned France, Germany or Australia, but the UK has about double the foreign direct investment of France or Germany, and our international co-operation—our links abroad—are quite different.

Here I declare that my entry in the Register of Members' Financial Interests shows that I, too, invest in businesses across the UK, and the reason why is that I think, as a Conservative, that if someone believes in business, they should put their money where their mouth is. I am proud to support some young people who have come up with some ideas, some of which may succeed and one of which may even make me as rich as the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Stratford-on-Avon—*[Laughter.]*

This Bill looks at the challenge that such businesses are starting up with, and here I pay tribute to my constituency neighbour and right hon. Friend the Member for Tunbridge Wells (Greg Clark) who spoke about the de minimis clause—the minimum amount that should be called in. Of course, it is absolutely right that companies can evolve. Technology can adapt very quickly, and ideas that one thought were insignificant can become very significant.

However, the reality is that that rarely happens overnight and, with the nature of British capitalism being as it is, the value of a company will be appreciated in the market a long time before the technology is appreciated by the Government. Therefore, although I understand why the minimum number is set at zero, there is an argument—I would welcome the Government's thoughts on this—for setting it even as low as £1 million, which is actually a very small sum these days for many of the venture capital enterprises in our country.

I welcome the fact that this Bill makes the important distinction between national interest and national security. I see the hon. Member for Aberavon (Stephen Kinnock) in his place, and I know well that if this Bill were about national interest, he would be making one of the strong speeches about the steel industry that I have heard him make over the past five years, but this Bill is not about that. This Bill is fundamentally about the threats to the UK people and to our national security, not just our immediate interests.

It is important to make that distinction in the long term because, of course, to change that would be to fundamentally open a different question. It may be one that Opposition Members or, indeed, some Government Members, would wish to engage with, but it would be a big change to the investment environment of the United Kingdom. It would change our employment structures considerably and challenge many of the services that are built on the UK economy, from law and accountancy to finance and investment. It is a rather larger question, and I am glad that it is not included in the scope of this Bill.

The Government recognise that more consideration is needed, and they could do a little more, if I may say so, just to advertise the consideration that they are looking for in the 17 sectors. Having spoken to many lawyers in recent days—a confusion of lawyers, in fact—and to several businesses, it is quite clear that, although the consultation is welcomed, not all are as aware of what is required as would be beneficial.

If I may, I am going to start claiming some credit for some of this, because the Minister will know that the Foreign Affairs Committee has long pressed for tougher measures to protect our vital national security interests against growing threats. In our May 2018 report entitled "Moscow's Gold", we highlighted the corrupt investments associated with the Kremlin, but not unique to that Mafia-style regime, that have direct implications for the UK's national security. The sanctions regime we rejected is a welcome addition to the state's arsenal against those who seek to damage our national security. In 2019, we went further: in our report, "A cautious embrace: defending democracy in an age of autocracies", we recommended that the Government establish a power to block listings on the UK markets on national security grounds as a matter of urgency. The Government have now announced their intention to do so to stop companies with questionable ownership from taking advantage of UK listings.

The fact that the Bill builds on both those reports is enormously welcome. They also led us to ask some pretty important questions about how the Government could achieve their aim, because there are various elements in which those questions exposed gaps or failures in the British structure that would allow the Government to be properly informed of where to get the information. That is why I will ask a few initial questions, before the Foreign Affairs Committee spends a few weeks hearing evidence and listening to commentators on the Bill and investors, practitioners and lawyers about its application. Indeed, we may even suggest amendments.

To turn to my first question, the Government have been clear that state-owned entities and sovereign wealth funds are not inherently more likely to pose a national security risk, especially if they have operational independence in economic investment strategies. This is of course important for many countries around the

[Tom Tugendhat]

world, including Norway and many others, who operate very large sovereign wealth or national pension programmes. However, regimes such as that of the Chinese Communist party use opaque ownership structures to hide state interference. Will the Minister tell us what structures will be created and legal powers given to ensure that we can draw on the expertise and knowledge of those Departments and agencies across Government, including the Foreign, Commonwealth and Development Office, to shape decisions accurately? It is clear to all of us that UK missions around the world will need to be actively involved to ensure that the information required to take decisions is provided in a timely manner.

My second question is about the fact that this Bill provides gateways for disclosure of information to my right hon. Friend the Secretary of State and disclosure by him to a public or overseas authority. What we really need to know as well is not just how much he is able to exchange, but how much he is able to draw on other intelligence agencies and other partners and particularly, perhaps, on those in democratic and law-abiding countries, including the European Union, as we will no longer be part of the investment screening regulation and we have never been part of the different agencies or regulators in the United States, Australia and many other countries. Who are the likely partners with whom he is intending to share and how will we support each other?

Thirdly, the best estimate of the impact assessment suggests that the new notification regime will cost about £49 million a year and about £425 million over 10 years. Those numbers are, of course, uncertain. The new regime is expected to result in up to 1,800 notifications a year, which is a vast increase compared with the approximately 60 notifications a year that the Competition and Markets Authority currently deals with. The Bill introduces an investment security unit that will be staffed by 100 officials. May I seek assurance that this unit will have the capacity and necessary competencies to effectively screen this high volume of transactions and to expand if notifications are more than expected? The Minister will have heard from many people that there is the possibility that voluntary notification will result in a much higher level of disclosure than anyone is currently expecting, and therefore, the 100 officials could rapidly become overwhelmed and the timelines that he has very sensibly set out, of 30 and 45 days, could become impossible.

Mr Kevan Jones: Does the hon. Gentleman agree that this unit or some of the individuals in it will need a high classification of security clearance? Without that, they will not be able to make informed judgments on some of these applications.

Tom Tugendhat: I agree entirely with the right hon. Member that what we are looking at here is a multi-agency taskforce, not a BEIS departmental body. The reason, of course, why it has to be a multi-agency taskforce is that, as he says quite correctly, the need to have access to high-level intelligence is clear, but so is the need to be able to understand the changing nature of the technology and, indeed, the changing nature of some of the individuals and groups that may be affected. It is, after all, entirely possible that a company owned one day by one individual abroad is likely to be, or is in the direction of being, controlled by a rather less salubrious individual only a few days later, and the need for such multi-agency taskforce access is clear.

Insufficient resources would of course cost delays and have a serious impact on the UK economy. Indeed, it could lead to the various obstacles that I know the Minister has been incredibly careful about avoiding, which is why he has made the scope of the Bill so narrow. I am sure that he will be able to help me in assuring me that this group will have the resources it needs. Fourthly, given the sensitivity of the cases—my mistake: I was going to repeat exactly what the right hon. Member for North Durham (Mr Jones) said, so I shall skip it. I was going to ask for exactly the same.

As this Bill makes its way through the House, the Foreign Affairs Committee will be following it closely. As I have said, we will be conducting various hearings with various people along the way in the next few weeks, and we will, I hope, be making welcome suggestions that the Minister will be able to consider. Properly implemented and with due consultation and consideration, this new investment regime should provide certainty and transparency for UK businesses and investors in this country. It is an important and valuable change to our laws to ensure that our businesses are able to prosper in the safe knowledge that the information they develop and the innovations they provide allow the happiness and prosperity of these people, our friends and our allies.

3.46 pm

Mark Logan (Bolton North East) (Con): It is a great privilege to follow my hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat). I especially agree with him that the Minister and his team have been exceptionally good at communicating this over the past weeks, so long may that continue.

With the right clarifications, I stand to support the Second Reading of the Bill. It is incumbent on all of us here to think in terms of the contribution we can make to our collective livelihoods—a contribution of security, a contribution of transparency and a contribution of prosperity. On prosperity, the Minister and other colleagues have been working hard to assuage some of my concerns. I gravitate towards this side of the House because I believe in opportunity—the opportunity that overseas investors see in the UK to grow market share, reach new customers and develop cutting-edge technology, thanks to access to the brightest brains on the planet, and a confidence that a penny put into Britain today can become a pound tomorrow. We do not want the Bill to herald in uber-protectionism by stealth; otherwise I would have great difficulty in subscribing to it.

Foreign direct investment is a powerful contributor to the UK. Indeed, conservative estimates show that FDI has created over two Boltons-worth of jobs. That is 600,000-plus jobs, as the Minister actually told me last night, so I hope that is correct. Over 57,000 new jobs were created as a result of FDI in 2018-19 alone. The "World Investment Report 2019" showed that the total value of the UK's inward investment stock was $1.89 trillion—the third highest in the world, and worth more than the figures for Germany and France combined. Indeed, the northern powerhouse has been one of the top winners from FDI. Manchester has been recognised as Europe's fifth best large city for business, ranking ahead of places such as Rotterdam. Bolton is a significant recipient of FDI through, for example, the £250 million

redevelopment of the Crompton Place shopping centre, and this is central to our town's rebirth. We need to be on the ball, as the value of the UK's inward FDI has been falling. In 2016, the value of inward FDI was equal to 10% of GDP, which fell to 2% in 2018. I welcome the new Office for Investment, as we must not lose out to friendly competitors on our own doorstep. FDI contributes so much to our economy and society.

Moving on to security and transparency, the Bill seeks to contribute by putting the UK on a similar footing to other major economies, such as the US, France and Germany. Indeed, the CFIUS regime in the US reviews certain foreign investments in businesses to determine whether such transactions threaten to impair US national security. That is a sound premise and one that every nation state should embody: protecting one's core sovereign interest. Indeed, the Bill aims to offer more security for British businesses and people and protection from actors or, indeed, actresses harbouring malign intent.

I appeal to the Minister to ensure that the Government will only use their brand- spanking-new powers exclusively on national security grounds and not for broader economic or political measures. Mission creeping may lead to capital seeping. I encourage the Minister to articulate how to safeguard against spurious applications of the new powers. Some analogous screening systems are viewed as not transparent, such as those that do not give parties the opportunity to debate the conclusions. I understand the intention of our own UK version is to allow a quicker, slicker investment process for investors.

I also understand that a new digital portal will be made available to investors, and the Government have committed to a 30-working-day service timeline. Along with mandatory notification of investments in key sectors, that provides much-needed transparency for firms, while providing proportionate defence against those targeting sensitive UK assets.

Finally, my humble contribution to today's debate will imminently fly towards the Minister, like a not quite national security-protected Airbus paper plane. Alas, I have penned a mnemonic. According to *Hansard*, the word "mnemonic" has only been used once in this House, and without actually producing one. This could be an epic fail, so the House should brace itself. I will give way to the Minister if he would like to intervene straight away or, indeed, anyone else in the Chamber who can rhyme off the 17 industries that may feature in this final legislation. If not, forever hold your peace. Silence—great. It goes like this, and it does not roll off the tongue. It is CQC—which we are all very familiar with—CASCADED MS TEAM. C is for communications. Q is for quantum technologies. C is for computing hardware. I could go on, but I will simply repeat again: CQC CASCADED MS TEAM. That, hon. Ladies and Gentlemen, along with the Bill's contribution to security, transparency and prosperity, is how I would like to personally contribute to today's debate.

3.53 pm

Mr Kevan Jones (North Durham) (Lab): I was going to say it is a pleasure to follow the hon. Member for Bolton North East (Mark Logan), but I am not sure that it is. I welcome any measure that aims to protect or increase our national security. We live in an interconnected world now—a global world—in which capital is no respecter of national boundaries. We also live in a world in which nation states are using strategic investment as a way to pursue their own national interests, and there was mention earlier of the Chinese belt and road initiative.

We also live in a world in which nations or individuals use investments to launder money or to buy influence or protection, as was highlighted in the Intelligence and Security Committee's Russia report. So the measures in the Bill are to be welcomed but, as the hon. Member for Dundee East (Stewart Hosie) said, the issues that it addresses were raised seven years ago in the ISC report on Huawei. None the less, I wish to mention a few areas where the Bill is still deficient.

The right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) mentioned the Secretary of State's role. A call-in will be triggered on whether a transaction creates a risk to national security. Notification takes place in one of two ways—a transaction is notifiable either under four criteria or under a voluntary system. I believe the voluntary system is fraught with administrative difficulties and needs to change. However, I want to focus on how the assessment is then made and the role that the Secretary of State plays in deciding whether a case goes forward. I do so by reference to a recent case—that of the Cobham company.

The Bill would not have prevented the £4 billion sale of Cobham to a US company, even though the Ministry of Defence had huge issues around the sale, partly because it would allow unauthorised persons to understand either the details of the MOD capacity and activities, or give them a more strategic picture of the capabilities and activities that had been built up. The MOD said that the transaction posed a risk to the existing MOD programmes if the merger entity took decisions to exit from an investment or to move offshore the associated capabilities.

At the time, Lady Cobham's concern was that Cobham would be split into various entities and sold off—and, lo and behold, that it is exactly what is happening. It has gone from four divisions to nine, and the risks to national security were clearly evident at the time. I see nothing in the Bill that would have stopped that, because it comes back to the decision of the Business Secretary.

I am not anti-business in any way, but I am not sure that BEIS takes a view in terms of security issues, which would be perhaps more evident in the Ministry of Defence and so on. So there is an issue about who takes the final decision on such bids' going forward. I would prefer that to be a decision of the national security committee or a sub-committee of that, so that we may have in-depth intelligence reasoning—and I accept that such decisions should be taken on national security grounds only. If we look at the United States model, we see that some very dubious decisions are taken there on national security grounds, which, frankly, are more to do with protectionism than anything else.

Tom Tugendhat: Does the right hon. Gentleman agree that there is a real role for Committees of this House in such processes and that the ability to subpoena both witnesses and papers would add not only depth to the Government's investigation but protection to the Business Secretary who was forced to take the decision?

Mr Jones: I agree. There is an issue, in some of these cases, around national security. A point was raised earlier in the debate about whether the ISC should look at such decisions. Certainly there is an argument for an annual report, which I would welcome.

[Mr Kevan Jones]

I said earlier that I had a fundamental problem with one individual's taking such decisions, and I am sorry, but I do not think that the new investment security unit is the vehicle. The hon. Gentleman has referred to it as a taskforce, but unless it has national security at its heart, the push for business to get things moved on will take over, rather than what we should be looking at—national security. So decisions should not be left with the Business Secretary.

The other issue I raise is with supply chains. We all know that supply chains are now very complicated, long and diverse, from small companies right down to SMEs. I asked who will map those supply chains. We might say that small companies will self-notify, but would we miss things? There is a key role here for our security services in terms of flagging up things about particular companies, and I do not see that in this process. A small company very low down the supply chain, which may have only a very small element of either a nuclear project or a defence project, might lead to a security risk. I do not think that the new investment security unit will be able to deal with this. That is a role for our security services, which should be at the heart of this, rather than just being a member of the taskforce.

The other area I wish to focus on is in relation to the core areas. Listing them in the way that they have been listed is not helpful. For example, the term "military dual use" brings in a whole host of issues. Is a vehicle that is used for military purposes "dual use" even if it has a civilian use? Trying to define things in a list is actually very unhelpful. I would sooner come at it from the point of view of security and intelligence-driven information, which would inform the decisions that are taken. I am also a bit reluctant for things to be added to that core list by secondary legislation.

Then we come to an area that has already been touched on, which is the role of universities. The Bill mentions

"moveable property, ideas, information or techniques which have industrial, commercial or other economic value."

When does an idea become a commercial value? I personally think that we need to be looking carefully at this. There is some perfectly legitimate and important foreign investment in our universities, and I do not want to stifle it, but if we have, for example, a Chinese or Russian company investing in a university, particularly in a research programme, is that covered by this Bill? At the initial stage, the investment goes in, but there is no actual product as such. A separate look at that needs to be part of our overall assessment, and, again, that can only be done not from a broad brush stroke approach, but from letting our security services look at some of these areas.

The other point I want to make is to do with land, which is referred to in the Bill, but, again, what is strategic? Would it be allowable, for example, for a Chinese or Russian company, or any company, to start buying up real estate with Government offices on it? The other thing that the Bill does not really cover—the Minister might say that there are measures to cover this—is the issue relating to the well-trailed arguments about the way in which Russian and former eastern European countries have used the property market in the UK, not only to launder money but to build up huge assets in terms of power and influence.

I have just two final points. One is referred to in the appeal system as closed hearings. Members may be aware of what closed hearings are. This is where intelligence, which is an informed decision, goes before a court within a closed hearing. These hearings are mainly used in terrorism-related activities or other national security cases. I would be interested to hear from the Minister in his summing up exactly how he envisages that working in relation to this Bill and how he will manage closed cases, because they are very controversial. At the moment, for example, there are a lot of legal challenges to cases when intelligence goes before the court and then it is ruled that it cannot be heard in open hearings. I just wondered what the Minister has to say on that.

My final concern is around the time limit, which I do not quite understand. It is six months from the date that it comes available to the Secretary of State. I am very opposed to anything that is retrospective, because, as has already been argued, to try to unpick these things will be very difficult. I just want to understand from the Minister the reason behind the five-year retrospection.

Yes, I welcome this Bill, but what it should have at the heart of it is security and intelligence. At the moment, there is too much emphasis on business. I am not arguing for one minute that we should get security and intelligence looking at every single investment decision. I am pro-investment, but the balance here is possibly wrong if we are trying to stop what we all want to stop, which is malign activity in our economy.

4.4 pm

John Redwood (Wokingham) (Con): I have declared my business interests in the Register of Members' Financial Interests.

I support the idea of Ministers having powers to prevent foreign acquisitions where security matters are of concern. I trust that Ministers will want to ensure that all the other transactions that do not pose those security issues will go through smoothly, easily and quickly for obvious economic reasons.

There is a wider concern. As Ministers have rightly said, this is not the debate to deal with all the other worries we might have about unsuitable foreign investors, but there is concern out there in the public that we do not want asset-strippers, we do not want large companies that come here in order to gradually close down the UK capacity to take out a competitor, and we do not want them to come in under cover of sustaining jobs in Britain only to take away the intellectual property and then later to discover that they are not so keen on the British business after all.

We do need those protections, but where Ministers are checking their defences on competition grounds as well as on security grounds, they need to ask themselves this fundamental question: why are so many of our assets sold to foreigners? There is, of course, one very simple reason: throughout this century, under all three types of Government we have had so far, we have run a massive balance of trade deficit with the EU on trade account, so we need to raise the foreign currency to pay the bills so we can afford to buy the tomatoes, the vegetables and the German cars and all the other things that we have been importing, not matched by an equal volume of exports to pay those foreign currency bills.

We see that it is having a bigger impact now on our long-term balance of payments situation. Before we ran this long series of huge deficits, we had net assets abroad, which meant that there was a big positive line in our balance of payments, which said that as a country we earned a lot more in interest and dividends from our investments overseas than foreigners earned on the investments they had in the UK. That has now been reversed, and every year now we have a very big deficit on the interest and dividends, because there are so many more foreign claims on us than we have claims on foreign assets.

This is a matter of concern. Ministers need to work on a series of economic revival policies that put much more emphasis on British people investing in Britain, so that we recreate more of that wealth in our own national hands and do not have the vulnerability, that need for foreign currency, which has been brought about by the current twin deficits—the trade deficit and now the deficit on investment income account.

I was very pleased to hear Ministers saying, rightly, that there are many great investment opportunities in the United Kingdom, so we need to deal with this paradox: why is it that foreigners can see them and are piling in with all their money to buy our best ideas, our best companies and our best properties, and why are more British people and British companies not able to do just that? The Government need to work with the British investors, British companies and British entrepreneurs to make it an even better climate for them to do the investing, as well as taking advantage of the foreign investors coming in and giving employment opportunities.

We need that entrepreneurial Britain, which grasps this opportunity and understands that we have a huge opportunity here to take out imports—to grow more of our own food, and to produce more of our own cars and more of our own products generally—so that we chip away at the very big balance of trade deficit, and in turn then generate cash that can be reinvested in the United Kingdom.

This Second Reading debate presents an opportunity to make the wider plea to Ministers that, as we recover from covid and the damage, we remember that £100 billion deficit that we were running in 2019 before covid-19 disrupted world trade and say that that is unacceptable: that means too big an increase in claims by foreigners on our country year after year. That is why we need policies to get the investment in, chipping away at the £20 billion deficit in food with the EU and at the fishing deficit and the car deficit, so that we are generating those jobs on British capital, and starting to reverse that net liability position that now disfigures our accounts.

4.9 pm

Charlotte Nichols (Warrington North) (Lab): It is a pleasure to follow the right hon. Member for Wokingham (John Redwood), who is my dad's Member of Parliament. Considering the number of Conservative MPs who are self-isolating, I am glad to see the Minister in his place. May I take this opportunity to wish good health to the hon. Member for Warrington South (Andy Carter), who is also self-isolating?

I welcome this Bill and I am glad that the Government are at last addressing the important issue of protecting important assets when foreign acquisitions threaten national security. However, I fear that they have dragged their feet on this matter and that that has led to paralysis rather than strategic planning in several sectors, most notably civil nuclear power.

In 2016, the then Prime Minister, the right hon. Member for Maidenhead (Mrs May), delayed approval of Hinkley Point C because of fears of the potential for a controlling influence by the Chinese state firm China General Nuclear Power Group. While approval was subsequently granted, that illustrates the governmental hesitation that has beset this vital industry—an industry that depends on long-term certainties—for years now.

It has taken more than four years for the Government to bring forward the proposals in the Bill to allay those fears. In that time, the nuclear sector, which offers both reliable low-carbon energy and high-skilled, well-paid, unionised jobs, has suffered paralysis. Our fleet of nuclear power stations is ageing and needs renewing. The Government promised an energy White Paper in summer 2019, which has been delayed and delayed ever since. In that time, we have seen Hitachi withdraw from its planned investment in a nuclear plant at Wylfa because of the Government's hesitation in agreeing a funding agreement. The whole sector, and thousands of people in quality jobs, including almost 4,500 civil nuclear workers in my constituency, are still waiting to hear a clear plan and direction from the Government. We must not lose those jobs, and the planet cannot afford stalling over this green energy sector.

We know that part of the reason for the delay has been fear of foreign influence in our strategic assets. Dozens of Conservative MPs have even formed an internal lobbying faction called the China Research Group to focus on the threats that they perceive from China. That led to the banning of Huawei from our 5G network back in July. That makes it all the more extraordinary that it has taken so long for the Bill to be brought forward. Labour has called consistently for tougher powers on takeovers since 2012. I hope that now this legislation is finally here, the Government will have no more excuses not to act to give the assurances and firm grounding that nuclear firms reasonably request.

Alongside the Bill, I look forward to early publication of an energy White Paper that lays out the groundwork for nuclear energy that is environmentally and economically secure, and where the UK's national interest and national security are protected.

Stephen Kinnock (Aberavon) (Lab): My hon. Friend is making an excellent speech. Does she agree that the fact that 57 items of our critical national infrastructure—including, of course, nuclear, but also other energy and airports—are reliant on Chinese supply chains demonstrates the abject failure of this Government to bring forward a proper industrial strategy?

Charlotte Nichols: I agree that, given the national security risks posed by actions being taken by the Chinese state, including what our military refers to as sub-threshold activity, we should, as a nation, make sure that we have a Bill that ensures that our national security is protected from the Chinese state and anyone else, anywhere in the world, who seeks to damage our national security.

Developing a robust takeover regime is essential if we want firms in our key sectors to grow and provide good jobs here in the UK, and this Bill is a key part of that.

[Charlotte Nichols]

I worry, though, that it misses the opportunity to go much further in strengthening powers that prevent damage to the UK's national economic interest, as well as our national security, as in the case I have outlined. I therefore hope that the Government will consider amendments in Committee to widen the scope of what constitutes national security.

4.13 pm

Sir John Hayes (South Holland and The Deepings) (Con): This Bill is welcome, necessary, important and, it has to be said, overdue. In making a few remarks about it, I draw the Minister's attention to the fact that the Chairman of the ISC, the right hon. Member for New Forest East (Dr Lewis), is not able to be with us and sends his apology. I will make a number of points from the Committee on his behalf and that of other Committee members.

The first is that this Bill is stimulated, at least in part, by the ISC report from 2013. That report, "Foreign involvement in the Critical National Infrastructure", made the case that new legislation was required. The hon. Member for Dundee East (Stewart Hosie) has already made that point emphatically, but the Minister does need to explain what might have happened differently had this legislation been in place seven years earlier, because some of these powers are clearly retrospective but they do not stretch back into the mists of time.

The Bill is important, not least because the Government have acknowledged that the UK faces continued and broad-ranging hostile activity from foreign intelligence agencies, hostile state actors and others. Novel means of undermining UK national security include investments that can be structured to obscure the real actors behind them. This is not a straightforward matter of takeovers that are directly linked to defence or critical national infrastructure; it is subtler than that, as the Bill acknowledges and as the Government have said. I want to dig a little further into that during my extensive, but not tediously so, contribution.

The Bill's importance is also reflected in the dynamism of the threat that we face, which is metamorphosing, as I implied a moment ago. Those who seek to undermine our national security are becoming increasingly clever at doing so and the Bill will need to exercise all the flexibility that its provisions permit. But it may be that, as well as that, we need to return to these matters time and again. In a recent debate, I emphasised that traditionally legislation coming before this House pertaining to security has been spasmodic—it has been periodic. Legislation has stood the test of time but, as the increasing dynamism of the threats we face obliges Government to think again about means of countering them, it may be that we see more legislation than we have hitherto in this area. I happily give way to my hon. Friend, a fellow member of the ISC

Bob Stewart (Beckenham) (Con): I thank my very good friend for giving way. It seems to me that, if we define national security closely, we will not keep up with the speed at which it changes. So I am against the idea of having a definition of what national security is. Does my right hon. Friend agree?

Sir John Hayes: I do, but the challenge in a democratic polity is ensuring sufficient accountability while maintaining that degree of flexibility. It is all much easier in less democratic countries—I use that term as gingerly and modestly as I can—which are not obliged to legitimise or justify what their Governments do. We are—rightly—so the Government are properly scrutinised and held to account. It is right, as my hon. Friend says, that we maintain enough flexibility to respond to the dynamism that I described. But of course, we need mechanisms in place to ensure that that flexibility does not allow the Government too much scope. That is why—this point was made by my hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat) and I emphasise it on behalf of the ISC—Committees in this place missioned to do just that need to play an important role. I know that the Government recognise that, and that my right hon. Friend the Member for Wokingham (John Redwood) recognises it.

John Redwood: Indeed. This issue—where does security end—is very difficult. If we look at the great wars of the last century, which we do not want to repeat, food supply was absolutely critical and was a great strategic vulnerability of our country.

Sir John Hayes: That is true. Vulnerability, of course, is also dynamic. That is why I emphasised, in intervening on my right hon. Friend the Member for Tunbridge Wells (Greg Clark), that the Government need to get better at assessing risk and modelling the response to it. This is what the Bill begins to do. It has been a long time in the making, but I emphasise that it is welcome because it begins to look at appropriate mechanisms for doing that. So it is certainly necessary.

Mr Kevan Jones: Does the right hon. Gentleman agree that security and intelligence need to be at the heart of the Bill and that they should drive how we take decisions? That is why being located in BEIS might be a mistake.

Sir John Hayes: The right hon. Gentleman made that point in his contribution earlier and it seems to me to be a profound one. In establishing the new processes and the new governance associated with this legislation, it is vital that the interaction with the intelligence services, and all the skills available to the Government to assess risk, is built in to their considerations but also to the process. I am not absolutely convinced that the Bill does that. It may be that there is sufficient flexibility, to take up a point raised in an earlier intervention, to allow the Government to do so, but I hope the Minister, when he sums up the debate, will provide reassurance that the connection between intelligence and risk assessment is as sure as it needs to be. I am grateful to the right hon. Member for North Durham (Mr Jones) for making that point.

Greg Clark: When the decision maker is a Minister in the Government, they benefit from the advice of the security services, including the National Security Adviser. That was certainly my experience as Secretary of State. All these decisions draw extensively on the advice of the national security apparatus. I do not think—my hon. Friend the Minister will clarify it when he winds up—there is any intended change to that.

Sir John Hayes: Yes, the Minister needs to explain how the Government's arrangements for the new investment security remit interface and interact with the national security structures that already exist, such as the investment security group. There needs to be clarity about the process, as I described it a few moments ago.

Stewart Hosie: Of course, it is not just about the formal structures, because of the fast-changing nature of the threat and the way in which technology emerges and develops. Perhaps we should have an annual debate in here, where we can think out loud about emerging technologies that may become a threat and, on the other side, those technologies that have become so redundant they are no longer a threat, to avoid them being pre-emptively given to the Government and clogging up the system.

Sir John Hayes: That is an excellent suggestion from another member of the Intelligence and Security Committee. My goodness, we are here in force and working as a team, as you can see, Madam Deputy Speaker. It is important that the House considers these matters, as well as the Committees I mentioned which have a particular responsibility for dealing with these things and holding the Government to account.

The point was made earlier that the national interest and national security are not identical. But they are coincidental—they do overlap—as there is a point at which national resilience, or its absence, compromises national security. The Government acknowledge that in the scope of the Bill. They talk about critical national infrastructure, as well as technology sectors of various kinds. By the way, I first looked at this issue, Madam Deputy Speaker—this is not a widely known fact, but I am happy to share it in the privacy of this intimate gathering—as a Cabinet Office Minister, with the former Member for West Dorset, Sir Oliver Letwin. We looked particularly at the threats posed to core infrastructure, such as the energy sector. By the way, that threat is posed not only by hostile state actors, but other players who might choose to disrupt core activities, with extraordinarily damaging consequences for our citizens. The Government do look at those things, but historically I do not think they have done so systematically enough. I know my right hon. Friend the Member for Tunbridge Wells, who has a distinguished record in this area, will have had similar experiences to me when we, in turn, looked at energy as part of our ministerial responsibilities.

China has been mentioned. I do not want to speak about it at great length, but clearly the ISC is currently looking at China and will be considering these very subjects in relation to that inquiry. That will come as no surprise to the House or the Minister.

I said this Bill was necessary, but necessity requires a degree of precision and I have some specific questions that I hope the Minister will deal with, either in summing up or by writing to the ISC if he does not have time to address them today. In looking at a specific case, will the investment security unit be able to consider the cumulative effect of a particular business transaction? In other words, will it take into account whether past acquisitions in that sector, when combined with the case currently under consideration, will result in a cumulative threat to national security? Moreover, will the unit consider acquisitions that might result in an indirect threat, for example, through supply chains or managed service providers? This may well involve very small businesses; sometimes a single expert or a small group of experts will play a vital role, as component parts, in either a technology or an industry that is vital to our national security.

Bob Seely: My right hon. Friend is making an excellent point in an excellent speech. He is highlighting the need to understand national security not only as individual events and individual companies, big or small, but as a series of cumulative processes. Those gradual processes, over time, are as important to understand.

Madam Deputy Speaker (Dame Rosie Winterton): Order. Just before the right hon. Gentleman replies, let me give a gentle reminder that we have a lot of speakers still to go and I know the Minister wants to give a full reply at the end.

Sir John Hayes: I am terribly grateful, Madam Deputy Speaker. I do not know whether it was the persuasiveness of the case I was making or its imperfection that has encouraged 1,001 people to intervene on me. Perhaps it was the latter, but I will give way no more and move to the concluding part of my oration.

There are questions to be asked about the proposals before us. I touch on one more before I reach my exciting summary. The Bill provides for the Government to apply to use closed material proceedings. My hon. Friend the Member for Isle of Wight (Bob Seely) and the right hon. Member for North Durham made the point about connections to other expertise, both within Government and beyond it, so how will that be impacted, given the closed material proceedings? How will closed hearings be managed effectively? I think the House will want to know the answer to that.

I said that the Bill is welcome, and it is certainly is, because it provides the means by which, for the first time, Government will consider matters of profound concern very much in line with the recommendations of the 2013 report. That report identified:

> "The difficulty of balancing economic competitiveness and national security"

and suggested that it had reached a "stalemate". With this Bill, we have moved on from that stalemate. Given the scrutiny the Bill will enjoy, in the spirit that this kind of legislation normally does, as the whole House will want to get this right, and given the Government's willingness to listen and to take on board some of the points that have been made today and that will be made in further scrutiny, I have every confidence that we may end up with a very good piece of legislation that is fit for purpose. Edmund Burke said:

> "Early and provident fear is the mother of safety."

Sometimes it is important to be a little fearful in order to be provoked to take necessary action. In taking that action, the Minister will know that the Government have no greater responsibility than to secure the safety of the country they serve and its people.

4.29 pm

Layla Moran (Oxford West and Abingdon) (LD): It is a pleasure to follow the right hon. Member for South Holland and The Deepings (Sir John Hayes). I can assure the House that I will not be speaking for quite as long, although I aim to speak as eloquently. I thank the

[Layla Moran]

Minister for the time that he spent with the Inter-Parliamentary Alliance on China yesterday, going through some of the issues in the Bill. We operate on a cross-party basis, and I will be mentioning some of the concerns raised in that call so that they are made public.

The Liberal Democrats absolutely support the premise of the Bill. It is the right thing to be doing. My objection, however, lies in the Bill's scope, which I genuinely believe should be wider. I appreciate that it has been constructed narrowly, presumably so that it can be put through Parliament quickly, but this is a great opportunity that should not be missed. The point that I made to the Minister yesterday was that if we are not going to amend this Bill to include some very important changes that are needed in our legislation, when are the Bills that will be necessary to fill in the cracks going to be brought to the House? I am hearing that that is what Members across the House want to know. If not now, when?

I will focus on two specific matters. The first, which has been mentioned by other Members, is the definition of national security. I found the speech of the right hon. Member for South Holland and The Deepings very interesting, because there are arguments for defining and not defining. I believe that we should be defining, so that this House can properly scrutinise whether the definition encompasses everything that we would consider a national security concern and whether those concerns will be captured in the Bill.

Anthony Mangnall (Totnes) (Con): Rather than being about not not defining national security, I wonder whether this is about broadening the definition so that it can include the many other issues with which we are all concerned.

Layla Moran: Yes, indeed; I agree. We should be broadening it, in fact, to underline the values of our country that should be enshrined in the Bill. I hope that Members would agree that there is no way that anyone could describe human rights as baubles. Human rights are not baubles off of which we are hanging a Bill. Human rights are the trunk of the tree off of which we hang the legislation and everything that we do in this place. When I suggest that we widen the scope of the Bill to include more human rights amendments, it is in that spirit.

We should not be singling out China particularly—although I am about to—but it is right that this Bill is looking at the enterprise in itself; it is not China or any Chinese investment per se that concerns Members of the House. That distinction is very important. It is equally important, especially during the time of a pandemic, that we attract business, that this country is open for business and that businesses want to invest in it. That is all correct, but I have grave concerns, particularly about companies such as TikTok, which is an example of the kind of thing that we very much hope is captured in the Bill. It is a shame that we do not know—I certainly do not—whether TikTok will fall within the scope of the regime put forward by the Minister and the Secretary of State. That is a genuine question. If it will not, let me make the case for why it should.

As has been said, this is not just about national security and infrastructure as things that we can touch. As we well know, the way in which hostile states are now operating is more to do with data flows and what they do with them. We also know that China does not think within the scope of two, three or four years; it is thinking ahead to the 20, 30, 40 and 50 year marks. What is it doing with TikTok? It is harvesting data, and primarily the data of young people—not just here, but across the world. Some 41% of TikTok's users are aged between 16 and 24. Our young people's data is being harvested now. Why? Competitive advantage, perhaps, but also we know that the way that the modern Chinese state is operating is to slowly build dependency. It is incredibly important to recognise the point around dependency and national security now, because it is getting a slow underground hold on our country. If we are not careful and we just focus on the parts that we can see, like the mycelium of a fungus—is it edible or not?—we forget that the majority of what is happening is underground and longer-lasting than we might imagine. Will data flows be considered specifically? Will the movement of the global HQ of TikTok to this country come under the scope of the Bill? If not, I will seek support across the House for amendments at the next stage so that that can happen.

Now is the time to fully address human rights. That is why it is important to talk about China, because yes, on the one hand, there are data flows, but on the other, there is what it has done in Hong Kong. The issues with TikTok arise from 2017, but the more recent issues in June of this year, and what it has done in Hong Kong, suggest a direction of movement for the Chinese state that is deeply concerning. Linking that to what is happening in Xinjiang with the Uyghurs, we have, almost through not paying attention, tacitly said to that state, "We think what you are doing might be okay. We are not going to challenge it directly." Magnitsky sanctions are mentioned as the current way that the Government are dealing with this. We welcome that and think they should go further. However, it is also time that we had amendments to a Bill that specifically deal with genocide, slave labour and supply chains. This is not just about sanctioning individuals. We know that the state has a hold on its enterprises, and that needs to be addressed too.

At this stage, I have no intention of throwing any Lib Dem strops and opposing Bills, or whatever. However, I hope that the Minister knows that at the next stage some movement needs to be made on these two very important issues.

4.37 pm

Bob Stewart (Beckenham) (Con): I want to concentrate on what is essentially the core of this Bill—our national security. Today our country continues to face a broad-ranging hostile attack from foreign intelligence agencies. A few of our critical industries and technologies may already have been purchased, at least in part, by foreign investors, some of whom may not have a particularly benign approach to British national security.

This Bill comes not before time, considering that the Intelligence and Security Committee ruled on the matter and suggested changes in 2013. Unless the UK curbs the right of foreign firms and investors to obtain technologies through the means of mergers and acquisitions, and similar, our advanced technologies could easily find their way into the weapons systems of foreign and potentially hostile states. This would definitely harm the UK either directly or indirectly. The Bill gives the Secretary of State the power to screen investments that might just pose a national security risk, and that is what we are talking about today.

Obviously the Bill very much reflects the views of the ISC, of which most members, apart from the Chairman, are present. *[Interruption.]* I didn't use the word "you", did I, Madam Deputy Speaker? *[Interruption.]* Oh good—you were looking at me with horror.

Madam Deputy Speaker (Dame Rosie Winterton): I only pointed out that I was once a member of the ISC as well.

Bob Stewart: I am always a culprit on the word "you". I have now lost my place, thanks to your intervention, Madam Deputy Speaker!

The report produced by the ISC in 2013 contained a requirement for legislation, and we are now getting that legislation seven years later, which is rather a long delay. I am delighted that the Bill protects British industry and puts safeguards on it, but it puts particular safeguards on our national security. In future, investors will have no choice but to notify the Government if the ownership of certain businesses is to change hands—thank goodness for that. However, I note that the Secretary of State will also have the power to call in other businesses if he or she has concerns about national security. That is why I am slightly against a narrow definition of national security; I would prefer it to be a bit more fluid.

The decision to call in an investment will be based on three factors: the nature of the target of acquisition; the type and level of control being acquired and how that could be used in practice; and the extent to which the acquirer raises national security concerns. The list of sectors to be covered is under consultation. I will not use a mnemonic, which until today I thought was some sort of drill, but that list includes advanced robotics, artificial intelligence, cryptographic authentication, whatever that is, quantum technologies—I do know what that is—and satellite and space technologies, in which we are world leaders. It is very important that those sectors are guarded against being infiltrated, because that is what it is—infiltration to take away intellectual property.

At the moment, the UK is almost unique among major western economies in not having stand-alone foreign investment legislation, and this Bill will sort that out. It will give Ministers the power to look at transactions overall and to review them. The Government's impact assessment estimates that it will result in well over 1,000 transactions a year—possibly up to 1,800, as some Members have suggested. That is a lot, and it means a lot of work for a specific department of BEIS. There will only be 100 people to do that work, which is slightly worrying.

I will finish, because I was told to be short—and I have been, in six minutes—and because I had your naughty finger pointed at me, Madam Deputy Speaker.

Tim Loughton (East Worthing and Shoreham) (Con): Get on with it!

Bob Stewart: I am getting on with it! I am trying to finish. This is a good Bill. I hope the House will support it. I will not finish my last paragraph, because my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) has stolen my thunder. This is a good Bill, and we need it.

4.44 pm

Stephen Kinnock (Aberavon) (Lab): It is such a pleasure to follow the hon. Member for Beckenham (Bob Stewart), and I genuinely hope that your naughty finger will not be pointing towards me at any point in my remarks, Madam Deputy Speaker.

We on the Opposition Benches will not oppose the Bill, because it is a step in the right direction. It is good to see the Government finally recognising the need to put national security at the heart of how we deal with foreign investment. However, the Bill fails to address the broader issue of how takeovers and acquisitions should be regulated to promote our broader national and economic interests and, indeed, the interests of British workers and their families across the length and breadth of our country. In that sense, it draws a false distinction between national security and economic security, because it is absolutely clear that the two are intrinsically linked.

In order to properly reflect on the effectiveness of this legislation, we therefore need to go back to first principles and ask ourselves this single basic question: what is the economy actually for? It is only by reaching consensus on that fundamental point that we shall be in a position to assess the extent to which the Bill will make a positive contribution to the lives and livelihoods of our constituents.

The British economy is unbalanced, it is unstable and it is therefore profoundly lacking in resilience. It is too reliant on the financial services sector at the expense of manufacturing—our manufacturing sector has collapsed since the 1970s from 30% of GDP then to just 9% now. It is too London-centric, thus failing to harness the talents of so many people from other areas of our country; it is too inward-looking, with persistent trade deficits; it is too unequal, pushing the proceeds of growth to the wealthiest 1%, and it is too short-sighted, constantly aiming for the fast buck rather than long-term, sustainable prosperity driven by patient capital.

Every piece of legislation that is brought forward by the Department for Business, Energy and Industrial Strategy should be relentlessly focused on fixing those faulty foundations of our economy—those fundamental weaknesses—and every step that the Business Secretary takes should be a step towards an active industrial strategy that is designed to drive a modern manufacturing renaissance. He should be focused on home-grown industry, home-grown investment and home-grown technology. Those critical steps will help to build that sense of purpose and resilience into the UK economy that we are so desperately missing.

The culture of the UK's corporations is also in urgent need of change. The prevailing business strategies are driven by short-termism, with the delivery of fast buck profits to shareholders taking precedence over all other considerations. Addressing that will require a new deal between shareholders, companies and their workforces, and between the public and private sectors. Far too many of the corporations listed in the FTSE 500 are characterised by a transactional, rootless form of ownership, which militates against the investment in R&D, innovation, skills development, new technology, plant and machinery that is desperately needed if we are to put our economy on to a more balanced and sustainable footing.

The Government's laissez-faire approach makes a major contribution to this short-termist culture, because it opens the door to acquisitions by foreign companies,

[Stephen Kinnock]

resulting in the UK's having by far the highest number of successful hostile takeover bids of any advanced economy in the world. Time after time since 2010 we have seen our strategic national assets being flogged off to the highest bidder. Let us just look at the case of Arm, a jewel in the crown of the British tech industry, which is in the process of being sold to Nvidia, or Cadbury's, an iconic British brand, sold to Kraft without any proper consideration of what that would mean for the long-term sustainability of the business.

Moreover, our sovereign capability is profoundly undermined by the fact that much of our critical infrastructure is not in our own hands. In fact, 57 of our critical national infrastructure supply chains depend on China, from our energy suppliers to our airports, our pharmaceuticals and our personal protective equipment. The repercussions of that overexposure have been felt during the pandemic. Our lack of capacity to produce PPE has cost the UK taxpayer an eye-watering amount of money; a breaking story today shows that a Spanish businessman has pocketed £21 million of British taxpayers' money simply for acting as a broker between the Government and overseas suppliers—a potent symbol of systemic failure.

Let me be clear that many of these so-called private takeovers and infrastructure investments are carried out by companies and investment vehicles that are a front for authoritarian state actors who have wider political and national security agendas and whose values are at odds with our commitment to democracy, liberty and the rule of law.

The crucial point here is that our values should not be for sale.

The most obvious and pressing case, of course, is the Chinese Government, who are relentlessly expanding their influence economically, politically and militarily. We need only recall the case of Imagination Technologies, which was recently the target of a hostile takeover attempt by an investment vehicle with direct links to the Chinese state. Of course, there are also substantial Chinese stakes in Hinkley Point and other sizeable chunks of our critical national infrastructure.

Successive Conservative Governments since 2010 have been naive and complacent in their approach to China, exemplified by David Cameron and George Osborne's disastrous "golden era" strategy. It is time for this Government, this House and, indeed, the entire country to wake up to the reality of these matters and to come to the realisation that, while we must always seek constructive engagement with China, we must take a clear-sighted, hard-headed approach to defending our national interest and our sovereign capability.

I also take this opportunity to raise another more specific way in which the Government's lethargic tendencies have proved costly to British business and weakened the economy as a result. The Government have been naive about the deliberate attempts to weaken UK businesses through market distortion by the undermining of competition laws. The most obvious example of that is the deliberate over-production of steel way beyond global demand and the subsequent illegal dumping of that steel on European markets.

The result of those illegal uncompetitive practices combined with Conservative inertia has been the weakening of UK steel companies and the opportunity for foreign investors, many of whom come from countries that are the origin of the dumping in the first place, to buy up our strategically and nationally important asset. Some 80% of China's steel industry is state owned, and the key point is that the illegal dumping of products from those state-owned industries into European markets is an example of the practices that are undermining the international rules-based order.

That in turn has a damaging and direct impact on our industrial base and on our communities and their families—the workforces that are directly impacted. It is a perfect example of how the global is truly local. We need a level playing field, and this legislation should be about—this is everything that the BEIS Department should be about—developing that level playing field so that our workforce is not competing with one hand tied behind its back against a system that is rigged against it from the word go.

This Bill is a big missed opportunity to strengthen the UK's wider industrial strategy and for the Government to show that they are committed to building an economy of purpose and resilience. Moreover, it fails to reflect the impact of coronavirus on UK businesses and the increased vulnerability in the face of vulture capitalists and state-backed actors that are waiting to pounce. This legislation only really seeks to protect the UK's national security and appears to do little to support the UK's wider national interest, such as the need to protect jobs and support communities in this time of national emergency.

Focusing on the all-too-narrow scope of the Bill, I also have genuine concerns about the process for arriving at a decision on whether to block a takeover. Currently, the plan is that the process sits firmly within BEIS. That is an issue, first, because such a decision would have huge cross-departmental impact, so it would surely be better to create a multi-agency taskforce to rule on key decisions. Such a taskforce would include the Treasury, the Home Office, the Foreign, Commonwealth and Development Office, the intelligence and security services, and the Ministry of Defence. It could follow a similar model to the Committee on Foreign Investment in the United States. All the signs were that BEIS was a cheerleader for the Huawei deal, when it was clearly against our national interest to go ahead with that deal. That does not augur well for its ability to police the effective implementation of the Bill.

Secondly, handing all the decision-making power to the Business Secretary could lead to problems further down the line, should a future incumbent—I am in no way implying that such a fate would befall the current Business Secretary—be influenced by political or commercial interests in this country or overseas.

Sir John Hayes: I had not intended to intervene again in the debate, except that I want to emphasise, and perhaps amplify, the point that the hon. Gentleman has just made. The legislation brings us into line with other Five Eyes players—the intelligence community with which we work directly—but he is right to say that the mechanisms that they use are different, in some cases, from the ones employed in the Bill in exactly the way he describes. Will the Minister look at those mechanisms and see what more we can learn from them as the Bill is improved during its passage through the House?

Stephen Kinnock: The right hon. Member has pointed to the fact that it is such a broad, cross-departmental issue that it requires more than just one pair of eyes—if he will excuse the pun—to look at it.

Time and again, we have seen that the takeover regime is not fit for purpose. It is welcome that we are finally coming into line with other countries on national security, but we are still behind on takeovers that would harm the national interest more broadly. Protecting our national security is only one element of protecting, nurturing and developing the vital sectors of the future that we know are crucial for our economy.

Given the economic dislocation and potential corporate vulnerability caused by coronavirus, the case for action is stronger than ever. I will support the Bill, but we need to see improvements and further regulation to protect British business and the broader national interest.

4.56 pm

Mark Pritchard (The Wrekin) (Con): It is always a pleasure to follow the hon. Member for Aberavon (Stephen Kinnock). Although I did not agree with everything in his speech, I have fond memories of being in his constituency playing rugby as scrum half, fishing, and go-karting on rickety self-made go-karts that often fell apart. I also went to my first rock concert at Aberavon leisure centre—The Who; I think they were at Madison Square Garden some years earlier, I hasten to add.

I welcome the Bill. As has already been stated, it is perhaps a little long overdue, given that my predecessors on the Intelligence and Security Committee suggested in 2013 that such a Bill was required urgently. I also put on record my thanks to my hon. Friend the Member for Isle of Wight (Bob Seely), who has been calling for such a Bill for many years. I am sure he is, at least in part, happy to see the Bill before the House. I also commend the Secretary of State, the Minister and, indeed, the whole ministerial team for bringing the Bill forward so early in this Parliament.

It is, of course, right that the Secretary of State has new powers to scrutinise strategic and sensitive investments in sectors that might pose a national security risk to the United Kingdom. The Bill should also act as a legislative assurance, or reassurance, for would-be investors and businesses. They can now avoid, hopefully, being targeted and potentially exploited by the hostile states and entities hidden behind the respectable veil of supposedly legitimate mergers and acquisitions that take place in the City every day—strategic partnerships, joint ventures and major investments.

The Bill also rightly responds to the huge advances in technology, as we have heard from other hon. Members today, which in itself further widens the potential scope of the Government's national security concerns—and, indeed, remit—particularly around intellectual property, patents and copyright. Although this might prove problematic for the Government, particularly around dual technology, it is absolutely right that it should be addressed. We heard from the hon. Member for Dundee East (Stewart Hosie) earlier on the use of dual technologies. However, the Bill should not mean compromising growth or prosperity, and I was glad to hear the Minister underscore that. Got right, there is no need for it to compromise or conflict with national security and national prosperity. It is more than manageable, certainly with this excellent ministerial team, for the Government to balance national security and economic competitiveness, and to give the Government greater powers to assess and scrutinise investments that could reasonably be viewed as posing a potential risk to the UK's national security. The Bill rightly empowers the Secretary of State, where necessary, proportionately to impose remedies up to and including blocking the transaction, using full through to lower-level measures. If the risk to national security is extreme, clearly those fuller measures should be deployed.

Of course, the Bill protects businesses that are small. We have heard from hon. Members on that as well, and I think the Government need to be careful that investors are not put off by the potential for many months of bureaucracy and hurdles to entry to market, particularly at the start-up stage or the second or third capital raising stage for entrepreneurial SMEs. The Bill will, of course, look at small businesses, and many of these small businesses have a global reach although their turnover might not be particularly large. They might—by definition, as small businesses—have fewer than 30 employees, but that does not necessarily mean that their technology and intellectual property are not of interest to some of the UK's adversaries.

In welcoming the Bill, I would like to take the opportunity to thank my hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat) and his Committee for their work. He has raised this issue over many years, and I would like to put on record my thanks to him. My hon. Friend the Member for Beckenham (Bob Stewart) has rightly mentioned computing hardware, quantum technologies and satellite and space technologies. There is a list of 17, and I will not go into them now, but it is absolutely right that these very sensitive areas fall under the remit and the scrutiny of this new legislation. Madam Deputy Speaker, you will know as a previous distinguished member of the Intelligence and Security Committee, that the Committee is currently considering the threat of this whole area in its current inquiry into the national security threat that China may or may not pose. In my view, it poses a significant threat in a lot of areas. Will the Minister give an undertaking to the House that there will be a timely publication of those mandated reporting sectors?

If I may, I would like to ask a few questions, through you, Madam Deputy Speaker, of the Government. Can the Minister explain the Government's arrangements for the new investment security unit? How will it interact with the national security apparatus and structures that already exist, including the investment security group? Will the investment security unit consider acquisitions that might result in an indirect threat—for example, through supply chains or managed service providers? What safeguards will there be in the Bill to prevent non-UK Governments from pressuring the UK Government to call in certain mergers and acquisitions that those Governments might find offensive or inappropriate even though the UK might take a different view? Also, on the issue of competitors, what safeguards will there be to prevent vexatious and spurious calls for the Government to intervene by competitors who feel they are going to lose out as a result?

This Bill is long overdue, but it is right to give credit where credit is due. I thank the Government for bringing it forward and I hope that they will work with the ISC

[Mark Pritchard]

and the whole House as it goes through to Report stage. I commend the Bill and thank the Minister for all he is doing.

5.6 pm

Andrew Griffith (Arundel and South Downs) (Con): It is a pleasure to follow my hon. Friend the Member for The Wrekin (Mark Pritchard), who was a very successful businessman before he entered the House. I am also looking forward to hearing from my hon. Friend the Minister when he sums up later.

Foreign investment in the UK is an unalloyed good thing, and we would all be much the poorer without it. Inward investment stimulates our economic growth across the entirety of the UK. In 2019 alone, as the Secretary of State told us, almost 40,000 jobs were created thanks to foreign direct investment, with most of those outside London, despite its global reach.

Foreign investors in the UK create more exports and spend more on research and development than our domestic businesses, giving the lie to some of the things that we have heard from Opposition Members this afternoon. Let us remember that every doctor, nurse and careworker who has looked after us during the pandemic is paid for directly from the product of the economic growth that results from being one of the most open economies in the world. That is one reason why I congratulate the Government on recently establishing the new Office for Investment, with my noble Friend Lord Grimstone and No. 10 working together to bring high-value opportunities to the UK, such as on net zero, as well as investment in infrastructure and advancing research and development.

I approach this Bill with a degree of trepidation, much as one may occasionally have to approach a golden goose and suggest moving it to a slightly different, newer nest next door. There are many positive aspects of the Bill that I welcome, such as the clear statement of intent about enthusiastically championing free trade—we heard that from the Secretary of State today. I think it is very important that the Minister restates that at each stage of the proceedings. In many respects, this will be a more modern and slicker framework, providing more certainty and clarity for those we seek to attract here to invest. Timelines for assessments will be set out in law, and, as somebody who was previously a practitioner of acquisitions, I know how capricious the current status quo is, so I welcome anything that can make that more predictable. I also agree that aspects such as the turnover test or share of supply are backward-looking in an era when a business can become successful or strategically important while barely out of the incubator.

I hope that the Minister will not mind if I mention some areas for those on the Government Benches to focus on, from the perspective of a colleague who wants the Bill to succeed in its stated objectives. It is really important that it remains narrowly drawn around the risk to national security, and it will be good to hear the Minister again restate that very clearly. To govern is to choose, and it is important to be as clear about what the Bill is not as we are about what it is.

Bob Seely: Will my hon. Friend give way?

Andrew Griffith: I will not, because I know that so many colleagues want to get in. The Bill is not about the impact of a particular locality or even the domicile of a particular acquirer, and it must not become another fit and proper test by the back door because we do not like the identity of an acquirer or their political views on that day of the week. Investment is all about taking risk and pricing that risk, but political risk is the very hardest to price. In a globally competitive world, where every word that we say in this House will be pored over for meaning, we all have a responsibility to ensure that we provide clarity to those who are poised to invest here.

Much is hung on the speed of this regime—I think, Minister, that 30 days must mean 30 days, and I can already see some ambiguity. The Bill talks about acceptance, not just receipt. A subjective view about what constitutes acceptance cannot be a back-door way of stopping the clock. That is a notorious practice in current European competition filings. There is also talk of the Secretary of State being able to have a further 45-day extension. I think there should be a clear presumption that if this is not done within 30 days, the transaction can proceed. In truth, if we apply that logic to a pavement licence during a pandemic, I do not see any reason why we should not apply it to keep our capital markets and our lifeblood of the economy functioning. Those timeframes should be symmetrical. The state should not load the dice in its own favour, because if we look at the Bill, we see that, when it comes to appealing the decision by the Secretary of State under judicial review, the claim must be brought within only 28 days.

I thought it was very helpful of the Secretary of State to provide the context that he expects less than 1% of all M and A asset transactions to result in notification, but with respect, I want the telephone number of his lawyer, because I do not know where we are going to find the risk-averse legal advisers in transactions that do not distort that by notifying just in case, particularly given the presence of criminal liability. I agree with other colleagues that I would like the Minister to commit, if possible, to publish annual statistics on the number of notifications and the outcomes.

Finally, as ever when we pass new legislation, it is wise to think of it as an opportunity to retire some elsewhere. Media plurality has ill served the media sector, much of which now lies in foreign hands. As we look to rebuild our industrial strategy in the future, post covid, and as we strike out post Brexit, a new lighter-touch approach from the Competition and Markets Authority would give many of our British businesses the scale to compete internationally.

5.11 pm

Bob Seely (Isle of Wight) (Con): Naturally, Madam Deputy Speaker, I hope to speak for no more than six minutes. It is a pleasure—genuinely a pleasure—to follow my hon. Friend the Member for Arundel and South Downs (Andrew Griffith). In the spirit of constructive debate, I am going to disagree with some of his points, but it was undoubtedly the most eloquent argument in favour of a highly free-market approach, though I will ask some questions on it, if I may. I am going to talk a little about national security, and make some supportive suggestions for the Minister and some general points about the nature of national security in the modern world with China.

There is much to support in this Bill, and we can all agree that most of it is very necessary and very good. I would also like to thank the Minister, who is obviously held in very high regard by those on the Government Benches, for his engagement; it is always good to talk to him. I have actually rather enjoyed listening to the debate, because clearly a lot of constructive suggestions are being made, and I thank my hon. Friend the Member for The Wrekin (Mark Pritchard) for his kind remarks.

I am going to suggest some amendments and then explain why I think they are necessary. For me, there is an issue about national security and our definition of it. That has not been offered so far in the debate, but it sounds like the Government's definition is too narrow in this age. That does not mean that we are talking about industrial policy. I was very interested to listen to many of the speeches by Opposition Members, including the hon. Member for Aberavon (Stephen Kinnock), who made some very good points. This is not the space for industrial policy, but it is a question of how we interpret national security.

The amendments I think we should be tabling are on a character test and a public interest test, if not specifically a human rights test. Nobody has ever accused me of being a bleeding heart liberal, but I think that, in this day and age, to have no human rights test, even one wrapped up in a public interest test or a character test, is genuinely confusing, especially because countries that are in many ways more free marketeer than us do have them. Australia has such a character test and a public interest test based on national security, competition, tax revenue, the impact on the country and what it describes as a common sense test. Forgive me if I am wrong, but I thought that we had rather invented common sense, but we do not necessarily have a common sense test or a character test.

While my hon. Friend the Member for Arundel and South Downs said that he is—I hope I am not misquoting him—ambivalent about the identity of people moving in, I am not. There is an issue about Huawei and there is an issue about ZTE because they are fronts for an authoritarian state. As well as a moral question over what authoritarian states do in their own countries—and, yes, we do tend to wag our fingers at people too much—there is a justified question to be asked, because how foreign authoritarian states treat their own people is very often, given half a chance, how they would treat us, so there is an issue for me here.

The next amendment relates to CFIUS, the Committee on Foreign Investment in the United States. That is a more transparent process and, if I understand it correctly, more people have to sign up to agree, so it is not just sitting within their version of the Department for Business, Energy and Industrial Strategy. Defence, the Secretary of State and other players get to sign off on funding for companies. In many ways, CFIUS has a higher threshold than we will have in this country. I do not think anyone is accusing the United States of being less free marketeer than we are, but in this area, they are more conservative. I am not saying they are right or wrong, but I think that it is an important point to note.

My right hon. Friend the Member for South Holland and The Deepings (Sir John Hayes) and the hon. Member for Dundee East (Stewart Hosie) spoke about the cumulative threat. It is not about a single company or a single issue, but the way an industry changes over time. Indeed, the hon. Member for Aberavon made that point about the slow collapse of the British steel industry. Also, the point has been made that a lot of foreign direct investment is good, but there is clearly a balance.

Finally on the amendments, I would be keen to see something more stated, more obvious or more explicit on critical national infrastructure. Where would we be with Chinese investment in our nuclear industry, for example, if this Bill was already law? That is a matter for genuine debate.

I will move on to one or two other specific points. We are forever telling people how we prioritise human rights and how we lead the world, yet there is nothing about human rights in the Bill. As I have said, I think that lacks consistency, and we need a public interest test.

Next, we are talking about national security without a definition. I was saying to my hon. Friend the Member for Bolton North East (Mark Logan) that we need a definition. He is very much a Sino expert: he lived in China and speaks Chinese, which is rather more than I do. He said that it is a very Confucian thing to say that, to have a debate, we need to understand the definition and know what we are debating. It is a genuine Confucian point: where is our definition of national security to have a debate with? We need that. In this day and age, we need a wider definition of national security. It is not just nuts and bolts on tanks—I am not saying that the Minister is saying that—but much wider than that.

The former leader of our party, my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) talked about civil and military fusion in China. I am somebody who lived in the Soviet Union. I have travelled in China a bit, and I have worked in sort of authoritarian states. The purest free market position here is dated. I am not saying we need an industrial policy approach, but we need an understanding that sees strategic interests—national security and the national interest—in big data, artificial intelligence, facial and gait recognition and all these technologies that Moscow and Beijing want to use to control their own people. I am surprised that the technology being developed by universities potentially does not fall under the Bill, and I believe it needs to.

My hon. Friend the Member for Gloucester (Richard Graham) made the point, as he ever does, about the importance of Chinese foreign direct investment, and I agree. The point was also made by my right hon. Friend the Member for Tunbridge Wells (Greg Clark). Chinese FDI clearly has an important role. It enriches our country, but there is a cost as well.

Finally, we need an amendment on strategic trade dependency. I would like to see an annual statement from the Government on the nature of our strategic trade dependency. If I had stood up a year ago and said, "Personal protective equipment is a strategic issue for this country," everyone would have laughed and Front Benchers would have been swapping amused WhatsApps at the foolishness of a Back Bencher. Who now denies that PPE is a strategic issue, given the amount of money it has cost us and the delays because we did not have our own industry? Over time, that industry had faded away, and now that has caught us out. There is a wider strategic debate.

There is also the nature of dynamic risk, as my hon. Friend the Member for South Holland and The Deepings said. Everything that we know about the last year, with

[Bob Seely]

the changing nature of authoritarian states, such as China and Russia, the fusion of the civil and military and the entirely different approach to power in those countries, makes me realise that the national security definition that needs to be offered in the Bill, but currently is not, should be, if not broad, then at least have a greater understanding of the modern world we live in than is currently the case in the Bill or this debate. I very much hope there will be movement on that from Ministers.

5.19 pm

Tim Loughton (East Worthing and Shoreham) (Con): It is a pleasure to follow my hon. Friend the Member for Isle of Wight (Bob Seely), who has great experience in these matters. As he said, this has been a very thoughtful debate. I welcome the Bill, which, as many hon. Members have said, is long overdue. Much of our law on industrial security and business transactions is governed by the Enterprise Act 2002 and our very narrow and often inadequate competition and markets laws.

A lot has happened in the past 20 years. Major global corporations have exercised huge powers in mining data, monitoring and tracking populations and controlling technology in every aspect of our everyday lives. In most cases, they have done so without the need for a close physical presence. Of course, the huge issue of cyber-security and cyber-crime has become the weaponry of the 21st century. It is therefore right that we bring our laws into the 21st technological century, which would also bring us into line with some of our major allies.

This is also an investment Bill. As a global free-trading nation, we need to get the balance right and ensure that UK plc is open for business in the eyes of the international investment community and international markets. My constituency neighbour and hon. Friend the Member for Arundel and South Downs (Andrew Griffith), mentioned the great inflow of investment and jobs that that has created. The Bill needs to be targeted and proportionate so that we continue to attract safe investment, while deterring unsafe and questionable investment.

I am pleased to welcome the new systems and procedures in the Bill, including the transparent call-in notices based on trigger events, a clear and swift timetable to make decisions on call-ins, clear timelines, a single point of decision in BEIS, the interaction with the Competition and Markets Authority and the sanctions and legal challenge process. It is good to bring that in line with our Five Eyes allies. As the Minister said, it is estimated that the Bill will affect less than 1% of all mergers and acquisitions and asset transactions in this country.

My concern, like that of other right hon. and hon. Members, is whether the Bill goes far enough. Does it cover enough sectors and appropriate interests? How should the Government define national security, which is absent from the Bill? Should there not be a greater independent and external screening mechanism? Is not too much power still concentrated in a Secretary of State who, as was indicated by my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith), can still be swayed by political considerations that sometimes—just sometimes—might trump national interests?

Where is the parliamentary scrutiny role in all this? Where is the appeal mechanism if no call-in is triggered? This is a point that not many other Members have mentioned, but does the Bill leave too many of our early-phase innovation companies exposed to being gobbled up by foreign super-giants that can take advantage of almost unlimited capital and currency swings in their favour? I remember the old days in the City when the Government had golden shares in companies such as Cable & Wireless, British Aerospace and Plessey. People had to make a foreign ownership declaration to own shares in Peninsular and Oriental, and they were only able to own deferred stock. The Government still have special shares in British Airways and Rolls-Royce, for example, but it is hard to think of the last time the UK Government blocked a takeover or major asset acquisition of a company in which they held a golden share. Are they actually that golden?

The Minister stated that he is nation agnostic and that there will be no white list of nations, but we all know—this debate has brought this out very clearly again—that China remains the biggest threat and the single most important reason why such legislation is required. I have been a lone voice on China's human rights abuses in Tibet for many years, as chair of the all-party parliamentary group for Tibet, and it is good at last to be in company, partly sparked by the outrage that is going on against the Uyghurs, what has been going on in Hong Kong and the suppression of the indigenous Mongolian population. However, it is what we do not see that is so much more dangerous, and the row over Huawei and 5G earlier this year brought that to light.

The ownership of Huawei is quite clear: it is 99% owned by the Huawei Investment & Holding Company trade union committee. Under Chinese law, trade union committees are ultimately administered by and answerable to the All-China Federation of Trade Unions, which is according to its constitution under the control of the Chinese Communist party. It is a very clear ownership: Huawei is under state control.

Huawei is involved with at least 11 United Kingdom universities as well as six London colleges, and I have great concerns—I have raised them on many occasions in this House—about the influence of the Confucius institutes on our campuses around the country. The US has raised concerns as well. The US-China Economic and Security Review Commission last year said:

> "China is using broad research relations with universities and other entities to try to fill in any technological gaps they have as well as in certain areas to try to advance Chinese standards so that Huawei and other Chinese-produced equipment will be the equipment of choice as networks get built out."

That is a threat to national security, and we need to take account of it.

We have heard a warning just today about Scotland and Scottish universities: Scotland has the highest number of Confucius institutes per capita of any country in the world.

We all know that ultimately the CCP has a claim on any data held by Chinese companies, where it does not need to go to the inconvenience of hacking into a foreign company's database, as happens all too often. That includes TikTok, as we have heard from many hon. Members—in particular, my hon. Friend the Member for Wealden (Ms Ghani), who has made a specialisation

of this. The spread of social media is a hugely powerful tool in extending control over populations, particularly young populations. China's national intelligence law requires all Chinese firms, not just Huawei, to assist in state intelligence work, and Huawei's equipment is used in monitoring the population in Xinjiang province. And of course it has great form in stealing IP from countries around the world.

All the contributions in this debate so far have focused on technology and communications, but why is pharmaceuticals and biotechnology not on the list in the Bill? It has been included on the list of the equivalent legislation in France. We know from Wuhan the global reach that biotechnology can have when it goes wrong. What checks are there on Chinese laboratories operating on UK soil in dangerous materials that could compromise our security? China, as we have heard, has been taking over pharmaceutical firms, including human blood plasma firm Bio Products, originally part of the NHS and taken over in 2016 by the Creat Group. That company would not have been covered by the mandatory notification under the proposals in the Bill.

There are many other areas of Chinese ownership that cause concern, too. The China General Nuclear Power Group holds a third of Hinkley Point nuclear plant and 20% of Sizewell C, and Beijing-controlled companies control about 25% of nuclear and wind energy demand in the United Kingdom. As my right hon. Friend the Member for South Holland and The Deepings (Sir John Hayes) mentioned, it is the cumulative effect of their influence and their ownership that we need to be aware of. The largest operator in the North sea is the China National Offshore Oil Corporation, accounting for 25% of UK oil production and 10% of the country's energy needs—helped by billions of pounds-worth of tax breaks from this Government and previous Governments, it should be noted. The chairman of the CNOOC, Wang Yilin, declared in 2012:

"Large-scale deep-water rigs are our mobile national territory and a strategic weapon."

The China Huaneng Group is building Europe's largest battery storage project in Wiltshire, and the Hong Kong company MTR owns a 30% stake in South Western Railway and has the Crossrail franchise. I could go on and on, and the Henry Jackson Society has estimated that only 23 out of 117 Chinese acquisitions of UK corporations in the past decade would have been subject to the mandatory notification in this proposed legislation.

These are all strategic areas—energy, infrastructure, transport interests—which could have a massive impact on our security and prosperity if controlled by a malign party, and on top of that there is the monopoly China is building up in the supply of lithium and cobalt, essential components of batteries and the battery technology that we need to develop globally for environmental reasons as well.

What would the impact of the Bill be on all of those operations? What are the reciprocal rights for UK companies taking a stake—a controlling one or otherwise—in equivalent companies in China? I bet they are not equivalent. Surely there needs to be some sort of equivalence test in this legislation to ensure that we have access to assets overseas that is equal to that we are allowing overseas corporations and Governments to have in this country.

I have not mentioned human rights, which has come up many times. I have not mentioned the malign influence of Russia and heavily disguised asset purchases from those close to the Putin regime. What does the Bill do for clearer declarations of ultimate beneficial ownership and the role of Companies House? We have done much in that area on tax avoidance, but what about for the purposes of the national interest? We need far greater transparency. Surely the Bill is a way of helping to achieve that. Surely there should be a wider national interest test.

We must also mention the role and influence of friendly foreign powers, particularly the concerns about US and Japanese multinational companies that have been gobbling up UK high-tech start-ups and defence companies in recent years. The hon. Member for Aberavon (Stephen Kinnock) mentioned ARM, which was taken over by the Japanese—SoftBank—in 2016 and then by the Americans this year. It makes silicon chips for virtually all our mobile phones. There are numerous examples of high-tech start-ups in silicon fen at Cambridge. Public money has gone into universities, resulting in commercial spin-offs, and then founding shareholders have been lured by pound or dollar signs to silicon valley, US high-tech giants and social media companies. That is why we have no equivalents of Facebook, Google or TikTok in this country. We have very few tech stocks; in the FTSE, the weighting of infotech is just 1.37%.

In conclusion, Madam Deputy Speaker—before some naughty extremity of your body casts itself in my direction—surely we should be using a national interest test to grow our own in the United Kingdom. Certainly there should be a reciprocity test if national interest protection laws overseas prevent UK companies from making equivalent acquisitions or taking strategic stakes. I support the Bill, but there are many questions still to be answered, and measures certainly need to be beefed up.

5.31 pm

Anthony Mangnall (Totnes) (Con): Thank you, Madam Deputy Speaker, for calling me in such an important debate. May I start by thanking the Secretary of State and the Minister for the time that they have given me, members of the Inter-Parliamentary Alliance on China and others to discuss the contents of the Bill and what it does?

As I understand it—I hope I get this explanation right—the Bill gives the Government the power to screen and call in acquisitions of assets deemed to pose a threat to national security. Those assets might include land, physical property or intellectual property. As a result, the Secretary of State will be given retrospective powers to consider investments made over the past five years.

I welcome the cross-party consensus on the Bill. It seems to me, as a new intake Member of Parliament, that this is one of those rare moments when there is consensus in the House to produce a truly remarkable piece of legislation. I hope that the Government will listen carefully to the comments that have been made already.

I welcome the sentiments of the Bill, and I hope that passing it into law will be our first step in attempting to match Australia's Foreign Investment Reform (Protecting Australia's National Security) Bill and America's Foreign Investment Risk Review Modernisation Act of 2018. But—and there is a sizeable "but"—we have, as other

[Anthony Mangnall]

Members have made clear, a long way to go before this legislation reflects the comprehensive laws that many of our Five Eyes nation colleagues have in place.

The UK seeks to be a competitive, free and fair economy. I believe that that is sacrosanct and that we must do everything we can to ensure that businesses and people around the world look at our country as an attractive destination for investment. A stable democracy, a highly skilled workforce, league table topping universities, the rule of law and world-class industries such as photonics and FinTech all make the UK an attractive place to invest that benefits investors and British citizens alike.

Our laws are balanced as a result, encouraging foreign investment and adherence to UK laws and national interests. That balance has become all the more challenging with rapid technological change, internationalist agendas and our own failure, if I may say so, to hold a strategic dependency review. In short, the threats to our national security are numerous, real and present, and they come in a multitude of forms.

The narrow scope of the Bill limits its impact. It fails to address the threats that the UK is currently facing, and it holds the potential to see us become complicit with businesses and organisations that violate human rights. The national security that the Secretary of State spoke of remains ill-defined, to the detriment of the objectives of the Bill. Added to that, under the screening mechanism outlined in the Bill, a number of sectors are not addressed, such as education—a core part of the UK's economy and an attraction to thousands of foreign students across the globe, with institutions that undertake research and development programmes in myriad areas, including defence, development and foreign affairs. A recent study found that 10 UK university laboratories are now dependent on significant investment from Chinese defence firms, yet our universities have not been specified in the scope of the Government's consultation on sectors to which mandatory notification applies. How can that not be considered a national security risk?

The pharmaceutical sector is a global success story, with many companies basing their operations here in the UK, but there is nothing in the Bill that would have stopped or reviewed the Chinese takeover of Bio Products Laboratory. At a time when we face greater and graver challenges around the health of mankind, the Government must rethink what needs to be included in the scope of their consultation.

I have touched on two sectors but said nothing about the UK's nuclear sector or water industry. Both need to be given the cover to protect our national security. Our core infrastructure, which is intimately connected to our national security, is routinely being placed in the hands of foreign owners. That should be a cause of great concern to the whole House. My hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) mentioned the 23 out of 117 Chinese acquisitions of UK firms—if less than 20% of Chinese acquisitions are being scrutinised under this legislation, we need to rethink parts of the Bill and strengthen it where possible.

Richard Fuller: I think it would be helpful for us to decide whether we are talking about foreign ownership of assets or Chinese ownership of assets. Obviously there is a gradation between them, but I am hearing from some of the contributions that we just do not like foreigner ownership of assets, which I am sure is not what my hon. Friend means at all.

Anthony Mangnall: It is important to recognise that China has a poor track record in this case, which has not been addressed, but of course we are not against foreign ownership. We want to ensure that the structure is in place to scrutinise these acquisitions in the correct way that protects opportunity in this country. I thank my hon. Friend for his intervention.

A few months ago, I broke cover early on to vote against the Government over the proposals to see our 5G network built by Huawei—and I have not lived it down yet! I did so because our core infrastructure should never be compromised by foreign investment, and that was a severe threat to our national security. I welcome the fact that the Government have moved so significantly and plan to phase out Huawei by 2027.

I also did so because of the reports of human rights violations by Huawei. The success of my right hon. Friend the Member for Maidenhead (Mrs May) in passing the Modern Slavery Act 2015 is a proud moment for the UK, but it is worthless unless we use this Bill to stop dealing with companies that are reported to be using slave labour and looking to invest in the United Kingdom. Nothing in the Bill prevents companies that are complicit in gross human rights violations from investing in the United Kingdom, and that is a huge oversight. It would be an injustice and morally wrong for the UK ever to look the other way as money created from slave labour was invested in this country.

We have been told that this is not the right Bill for such provisions, but with all due respect, that is the same excuse used by the Whips on every single occasion that I have raised concerns about a piece of legislation. If we are going to bring forward the correct pieces of legislation, let us bring them forward. If not, the Government should not be surprised if we try to tack on amendments to address the issues that so many Members across the House feel strongly about.

Bob Seely: My hon. Friend is making such a brilliant speech that I do not want to interrupt him, but I will do so briefly. Does he agree that all these concerns could be wrapped up in a public interest amendment—including, for example, a human rights element—which would give Ministers some leeway and scope to address them?

Anthony Mangnall: My hon. Friend is absolutely correct. I hope that the Minister is listening, that we might expect such an amendment to arrive before us in due course, and that, with the consent of the House, we might see it implemented.

As I was saying, the line between state and civil actor has been blurred. The civil/military fusion requires legislation, and the Bill is in need of development to counter it. I therefore ask the Government very quickly to consider the following few proposals.

First, I would suggest the introduction of a committee on foreign investment. Our colleagues in America have introduced such a system. That would alleviate the pressure for any decisions to be made from political expediency. I believe, as my hon. Friend the Member for East Worthing and Shoreham was saying, that that

would promote parliamentary scrutiny and transparency and ensure that there was an understanding of the entire system.

Secondly, I would suggest that the definition of national security be expanded to include human rights. We do more often than not, in this country and in this place, develop policy around moral obligations. This should be one of those cases.

Thirdly, I suggest that we increase the Bill's scope and use it to tackle organised crime. That has not been mentioned. The UK very successfully closed the domestic trade in ivory. There was a trade across the globe—a domestic trade in ivory that was linked to al-Shabab. There is a way to track organised crime down to terrorist organisations. There is scope within the Bill to do so.

Fourthly, a recent study found that at least 929 UK shell companies used in 89 corruption and money laundering cases accounted for £137 billion. Those companies are registered through Companies House. The Bill should be used to alleviate the burdens and ensure that there are fewer implications for the UK.

We can attract investment and tackle malign activities. I hope the Government will engage, in the same constructive manner in which they have introduced the Bill, and I will be supporting them tonight. I am sorry for going on for so long.

5.47 pm

James Wild (North West Norfolk) (Con): It is a pleasure to be called to follow my hon. Friend the Member for Totnes (Anthony Mangnall) and make a contribution reflecting my time as an adviser in the Ministry of Defence, as well as in the Cabinet Office, where I was involved in national security issues and the investment regime.

In three years advising the Defence Secretary, there were issues with an increasing number of transactions that, typically, related to small firms involved in sensitive parts of the defence supply chain or in emerging technologies. The regime at that time, because of the threshold limit, did not allow the Government to impose formal remedies, let alone block transactions. Instead, we had to rely on a quiet word with those seeking to sell firms, to discourage them from such action. In more than one case, a suspicion was that a hostile actor, a state actor, was seeking to use a transaction to acquire key intellectual property to support their offensive military capabilities.

Persuasion did ensure that none of those transactions came to fruition, but the risk was clearly there. It is not acceptable to leave that gap in our powers. In the Cabinet Office I worked on measures to improve the Government's ability to take a more strategic view of risks, and to understand the cumulative impact that my right hon. Friend the Member for South Holland and The Deepings (Sir John Hayes) and others have talked about, as well as bringing in the regulations to lower the threshold for military dual-use goods and advanced technologies. That dealt with some of the problems, but the case for comprehensive reform to strengthen the current legal framework is compelling.

In legislating, our role here today is to judge how best to protect national security while encouraging investment and maintaining the UK's hard-fought reputation as one of the best places to do business. In my view, that is best done by having a regime that is targeted, predictable, transparent and efficient, so I welcome the Bill, which improves on the proposals set out in the White Paper. It gives more clarity on the sectors where the greatest risks to national security exist, and for which a mandatory approach will therefore rightly apply, subject to consultation.

However, investors must be assured that the regime is about national security; it is not a power to block transactions that Ministers do not like, or a back door to protectionism. There also needs to be an efficient screening system. It is crucial that the structures and resources are put in place to ensure that the timetables for review and assessment in the Bill are actually met. I know that the proposed investment security unit will sit within BEIS. Others have mentioned that issue. I should be grateful if the Minister would explain how the unit will work—for example, with the National Security Secretariat within the Cabinet Office—and whether there will be joint staffing, given the need for people with sufficient experience and vetting to provide the advice, because the success of the regime depends on being able to deal with the number of notifications coming forward. Will there also be additional resourcing for the agencies and other parts of Government that will provide those assessments?

The Bill represents a proportionate approach to provide the powers to screen transactions on national security grounds and ensures that the UK remains open for business—but not at any cost.

5.44 pm

Nickie Aiken (Cities of London and Westminster) (Con): First, I note that I am the only woman on the Government Benches speaking in the debate today. That is not because many of my colleagues do not wish to. For example, my hon. Friends the Members for South Ribble (Katherine Fletcher) and for Rutland and Melton (Alicia Kearns) cannot speak today because they are self-isolating or shielding and our virtual Parliament does not allow them to take part in these debates. The sooner we allow Members who are having to self-isolate and shield to take part in debates, the better.

I welcome the Bill and the work it will do not only to protect British business and our national security, but to provide more safety and comfort to companies and individuals from abroad investing in the United Kingdom. There is a clear need for the Bill to secure new investment as we transition into a genuinely independent trading nation for the simple reason that legislation in this area was last written at the beginning of this century, and it has not kept up with business and advances in technology since then.

I regularly speak to financial and professional services based in my constituency of the Cities of London and Westminster, and the legislation technology lag is often a key concern. I am glad that the Government are taking action to prevent the lag from growing any greater. As we recover from covid-19, it is essential, for the economy to recover, that we remain a vibrant and attractive destination for global investment. The actions taken under the Bill to make interactions with the Government simpler, more transparent and swifter than the current regime have to be welcomed for the benefits to both domestic business seeking international capital and those investing from abroad alike.

[Nickie Aiken]

The Bill, as I understand it, will also create an investment screening regime in line with those that already exist in other nations around the world—many have been mentioned today—meaning that investors will be familiar with the processes that they will likely have to undertake. I am pleased that my right hon. Friend the Secretary of State is keenly aware that we must strike a balance between preserving national security and enshrining the UK's world-leading position as an investment location. Of course, we are aware that it is only a small minority of rogue players who might pose a risk to our national security, so we must welcome legitimate investment as openly as possible. I hope the Government will continue to work with businesses as the Bill progresses to ensure that that balance is maintained.

Having said that, I understand that the Government predict, in their impact assessments, that less than 1% of all mergers and acquisitions and asset transactions will result in voluntary notification to Government. Some of the magic circle law firms based in my constituency believe that the Government may have underestimated those figures and, indeed, even if they are correct, it will none the less result in a much greater number of transactions being reviewed than is currently the case. They are concerned that the increased administrative burden of more reviews might deter investors. I would welcome a response from the Minister on that point.

I am pleased that the Bill's focus is on national security concerns and that it will not enable the Government to intervene for wider economic reasons. This appears to remove the potential for any political interference when reviewing mergers and acquisitions. I would welcome assurances from my hon. Friend the Minister that it is the Government's intention to take the politics out of that as much as possible. Furthermore, I am reassured that the new investment security unit will be within the Department for Business, Energy and Industrial Strategy, rather than across Government—although I take the point made by my hon. Friend the Member for North West Norfolk (James Wild)—meaning greater consistency and potential speed in decision making. It is about that speed. As has been said already today, 30 days should really mean 30 days if we are to ensure that we do not block investment.

Finally, the Bill is to be welcomed in the broader context of other legislation before the House. I spoke last week in the Second Reading debate on the Financial Services Bill, brought forward by Her Majesty's Treasury. Taken together, I believe the Bills represent a clear indicator that across Government, this Administration understand the priority and impact the financial and professional services, many based in the City of London, have on UK plc and the wider global economy. They will lead the recapitalisation of the economy post covid-19 and they will finance the Government's levelling-up agenda. It is right that we do what we can to ensure that they can operate safely and securely as technology advances in the financial marketplace.

I hope that my right hon. Friend the Secretary of State and ministerial colleagues will continue to consult business as the Bill progresses through the House. Should I be able to act as a conduit to the business community in my constituency, I would be delighted to help. I commend the Bill to the House.

5.50 pm

Richard Fuller (North East Bedfordshire) (Con): It is a pleasure to follow my hon. Friend the Member for Cities of London and Westminster (Nickie Aiken), who represents a constituency where many businesses will have to wrestle with some of the implications of the Bill as it passes through and becomes law. I congratulate my right hon. Friend the Secretary of State and the Minister on their preparation of this Bill. A lot of good time has been put in over the past couple of years and good evidence has been presented to prepare the Bill for debate today, and it will be my pleasure to support it.

It is both easier and right to look at this as a national security measure and not so much as an investment measure; we have to deal with the investment implications, but it is important that we get the national security measures right. There has been lots of conversation today about the requirements of the Bill, but I have to say that the evidence of historical examples has not been quite as strong as some of the measures in it. In many cases, this is a precautionary Bill, rather than one driven by the evidence historically. I do not think we want to be too critical of what we have been doing over the past 10 or 15 years. As many Members have said, this Bill is bringing something up to date so that we can deal with the things we think might be coming in the next 10 or 20 years.

I can now see why the Minister has had to thread a needle to try to land this precisely. Many voices, on all sides, have been asking him to extend the Bill. Indeed, the Bill has the potential to be an expansive octopus, given the pressures that might be put on the Government to extend it. I have heard about having a wider national interest test and including more sectors than the 17 we already have. We have talked about a definition of the national interest, which has been portrayed to the Minister as something that might restrict, but, as he well knows, the more precise a definition, the broader it can be in terms of how it is interpreted for others.

There have been many cautionary comments from others about the extension of the Bill into a national industry strategy for the country—that is not the purpose of the Bill. The right hon. Member for Doncaster North (Edward Miliband), the Opposition spokesman, who is no longer in his place, misjudged the Bill in saying that that is something we need to adorn it with. That would be completely inappropriate and it would take away from some of the scrutiny I hope Members will give the Bill as it goes through Committee.

I ask the Minister to be aware of and listen to people on the potential for unintended consequences. We have heard a lot about the decision in respect of Huawei, but he will be aware of the potential for retaliatory measures by us. Please look at the unintended consequences in respect of innovation in some of the sectors that may be affected. In that regard, I just point Members to my entry in the Register of Members' Financial Interests as an adviser to a technology company.

May we also feed something in from the Government Benches about a pattern we are seeing? As we are bringing forward more regulatory measures and as we take back regulatory powers from the EU, parliamentarians are constantly raising the question of what parliamentary oversight of those regulatory powers there is. It would be useful if Ministers would look at that. I congratulate the Minister on presenting the Bill and I am grateful for the opportunity to make some comments today.

5.53 pm

David Johnston (Wantage) (Con): It is a pleasure to follow my hon. Friend the Member for North East Bedfordshire (Richard Fuller), who always brings a lot of expertise to debates about business matters in this House. I welcome the Bill, and I say that as a supporter of open trade and investment, not as a supporter of protectionism, not least because I want to see companies and products from the UK in every country in the world.

The Government's No. 1 job is our national security, as is any Government's. The regime for assessing that through an investment lens was designed in 2002. We can all pick something from 2002 that indicates just how long ago that was, but I have opted for the fact that it was in 2002 that President George W. Bush declared Iran, Iraq and North Korea as being the "axis of evil". Whether or not we think he was right to do that and that those were the right countries, it illustrates just how much geopolitics has changed in that time and shows that we were not thinking about the threats we now face, at least in the same way, in 2002. It is therefore right that the Government now update the regime that we use to assess these matters. It is also right to have a system of mandatory notifications in the 17 areas that have been defined. In 2002, we did not even understand how artificial intelligence or advanced robotics might improve our lives, never mind the ways in which they might be used by hostile states to endanger our national security.

It is right that the Secretary of State will have a five-year period in which to call in trigger events after they have happened. That will enable him or her to perceive a threat that may not have been immediately obvious at the time of the trigger event. The Government rightly say that this Bill is not about one country or one threat—we should not be looking through the lens of 2002 for the current regime; we should make legislation now based on which countries we think are the threats in 2020. But I was one of the people concerned about the position we had got into with Huawei, which is, in many ways, a good example of why we need that retrospective power. Difficult though it may be to unwind some decisions, there are times when we have to do so. It is also right that there is no turnover threshold. If it relates to national security, it relates to national security. Turnover simply should not be a factor.

Unusually, I found that a lot of criticisms of the Bill that I looked at before this debate were actually in its favour, although a number of Members have actually made great contributions today about the ways in which we might further strengthen the legislation. The fact that we might, by the Government's estimate, see between 1,000 and 1,830 notifications made says to me not that the new regime is too strong, but that our old regime has not been strong enough. Maybe it will end up at that number and maybe it will not, but having only had 12 assessments done in the period since 2002 suggests to me that we are not dealing with a strong enough set of tools to assess these situations. The fact that 100 instances might have to go through a full national security assessment and that we might seek to impose remedies on 50—again, by the Government's assessment—just underlines why this legislation is important and why we need a much stronger regime.

It is right that national security is not defined in this legislation, as that will enable the Government—and, importantly, our security services—to interpret it as broadly as they can, and to perceive threats that they may not have perceived before. It is also right that the Secretary of State makes the decisions. I have seen some pooh-poohing of the role of politicians in this process, with the idea that they might use it for political gain or domestic considerations that are not really about national security, but we elect politicians to make judgments about national security. They are the ones who are truly accountable, rather than officials. It is right that that role should sit with the Secretary of State.

I welcome the way in which we have borrowed from international examples: mandatory notifications such as those in the US and Japan, and a retrospective period such as that in France and Germany. This suggests that we have looked at examples around the world, and borrowed from them all to try to get the best system for us. Of course, it also underlines the fact that we are behind a number of our partners—both the Five Eyes and our western European partners—and therefore the importance of passing this legislation quickly.

I will continue to welcome foreign investment and foreign trade, but I will never do so with any risk to national security. Given the actions that we see from hostile states through their investment decisions on a weekly basis, the passage of this Bill cannot come quickly enough.

5.59 pm

Alexander Stafford (Rother Valley) (Con): It is a pleasure to follow my hon. Friend the Member for Wantage (David Johnston) and also to recall the axis of evil. He mentions that things have moved on, but I challenge that and say that those countries that were part of that axis of evil are still threats today. Some of us were warning about the likes of China and Russia back in 2000, so I believe that the world is becoming a far more dangerous place. We have an increased number of threats rather than fewer, which is why this Bill is so fundamentally important. We need to have national security as our watchword. I know that this Government understand that perfectly well, so, as well as encouraging new investment into Britain, we need to increase the security and safety of British interests from hostile actors.

The Bill will give the Government new powers to block mergers and acquisitions when they are national security risks. It will also introduce an extension of screening powers to include assets and intellectual property as well as companies.

Why is this Bill so necessary? There is no doubt that foreign direct investment is vital to the UK economy. In the past 10 years, over 600,000 new jobs have been created from more than 16,000 FDI projects and $750 billion have flowed into the UK as a result of FDI. Foreign direct investment is overwhelmingly a good thing. As a Conservative, I am greatly anticipating throwing open our doors to global inward investment as we exit the Brexit transition period. I support unrestricted international trade and, for me, attracting investment into Britain is one of the most exciting things about leaving the European Union. Let me make this clear: leaving the European Union allows us to increase investment in this country, and it will be better economically for all of us.

[Alexander Stafford]

However, we cannot be naive about the threat that certain regimes pose for the United Kingdom. They exert their influence by taking over companies in strategic areas and increasing our dependency on their products and services, limiting our independence and stifling our dissent in the process. We cannot overthrow the shackles of the European Union only for hostile powers to come over and take over the jewels in the British crown. That is not acceptable.

Members will know well that one of my political interests is the combating of the malign influence of the People's Republic of China. The Government demonstrated strong leadership earlier this year by banning Huawei from Britain's 5G infrastructure. I pay tribute to my hon. Friend the Member for Totnes (Anthony Mangnall), who is no longer in his place, who helped the Government to come to the realisation of these malign influences. However, despite Huawei's weak protestations of independence from the Chinese Communist party, western politicians and companies know the price of conducting business in the PRC. A mainland Chinese telecom company, founded by a former People's Liberation Army officer, has no chance of avoiding Beijing's meddling, especially when the company in question is playing a central role in critical western infrastructure.

The same can be said of TikTok, a Chinese-owed app, which has enjoyed explosive growth in the west among teenagers. It is not all fun and games though, with the company being accused of having close links with the Chinese regime and of gathering data on our young people. Indeed, we heard from representatives of TikTok on the Business, Energy and Industrial Strategy Committee a couple of weeks ago, and we heard their protestations saying that they had no connection almost and that they were not passing over data. However, how can that be true when TikTok is owned by China—a state that is naturally hostile to human rights and many other aspects?

There are very real fears that the Chinese state is using its economic influence to weaken our Government, sow discord in our societies and extend its surveillance network in our lives. Let us be honest, it is not just in Britain that we see China act in such a way. We have seen it act across the middle east and into Africa as well. We are not the only country over which China is trying to extend its influence and it is great that this Bill will go some way to stop that influence and protect our national infrastructure. I am pleased that the Bill takes such a strong stance.

Huawei and TikTok should act as a cautionary tale to us for the future. The PRC's unforgivable actions in Hong Kong, an autonomous territory, against the Uyghurs, a distinct and proud people, and against the Christians in China show us that Beijing cannot play by the rules and we cannot rely on them to look after our best interests.

However, the PRC is not the only regime about which we must worry. I do not need to remind Members of the threat posed by Russia and Iran and other despotic dictatorships. My priority is the protection of the British national interest and the safety of UK citizens. As the UK's current powers to oversee foreign investment date from legislation in 2002, new primary legislation is needed to bring the UK Government's powers up to date. As my hon. Friend the Member for Wantage said, much has changed over the past 20 years and therefore these new powers must take into account new threats and technological, economic and geopolitical changes. The Government must have powers to intervene effectively and efficiently to protect the UK. Furthermore, to be an effective and trustworthy ally to our friends and partners around the world, we must bring our powers into line with theirs. Australia, Japan and the United States have already taken action in this area, and we must not be left behind, because if we are, our businesses and our infrastructure will be ripe for the picking for these malign regimes.

This Bill means that we can continue to work on bringing investment to our shores, boosting GDP and creating jobs as we recover from the coronavirus while defending ourselves against those who threaten the safety of the British people and the UK's sensitive assets. I expect Members in all parts of the House to support this crucial piece of legislation, which will ensure that we are prepared for the challenges and the threats of the future, because the world is not a safe place and there are many countries and regimes that want to do us down. We will always stand with the British people and with British business to protect our interests.

6.5 pm

Aaron Bell (Newcastle-under-Lyme) (Con): It is a pleasure to follow my hon. Friend the Member for Rother Valley (Alexander Stafford), and indeed colleagues around the House, as the last Back-Bench speaker in this debate.

This has been a very thoughtful debate with lots of interesting suggestions for the Minister from all sides. I thank the Secretary of State for his opening remarks and the Minister for his engagement with these issues. He met the Science and Technology Committee last week to talk through the Bill. It was obviously time well spent, because three of my colleagues from the Committee have already spoken, and now he has me as well—so well done to the Minister.

It is tempting, from a science and technology perspective, to seek to widen the scope of the Bill to attempt, for example, to protect start-ups in these fields, which are very innovative. Ultimately, however, I come down in the same place as the Chairman of the Committee, my right hon. Friend the Member for Tunbridge Wells (Greg Clark). Countries that try to legislate themselves into self-sufficiency instead end up self-satisfied, and that would then strangle the very innovation that we all seek and want to see in our businesses in the spheres of science and technology. I am therefore pleased that the Bill is drawn narrowly.

The Bill sits at the nexus of our domestic economy and our international relations. If we were to widen its scope beyond the fairly narrow way it has been drawn, that could have unintended consequences for both those things. We heard the excellent and witty speech from the former Leader of the Opposition, the right hon. Member for Doncaster North (Edward Miliband), who clearly has lots of ambitions in the area of industrial strategy. I look forward to him putting that into the next Labour manifesto, perhaps, and that is where we can discuss these things, but this Bill is not the place to try to detail all the elements, whether it is about confectionery companies, union control or any of those sorts of things. This needs to be a narrow Bill so that we do not move into too many unintended consequences.

On international relations, as my hon. Friend the Member for Wantage (David Johnston) said, we need to move with the times and in response to events. The exact nature of the threats we face evolves and changes over time. I trust my right hon. Friends the Foreign Secretary and the Prime Minister, and we need to give them the leeway to make judgments about national security in the face of what the international situation is at the time. This Bill is not just for the next five years. It is not just for the threat that we clearly face from the expansionist tendencies of Russia and China. It needs to stand the test of time, and by drawing it narrowly, we give it a better chance of doing that.

I support the Bill as it is, although many colleagues around the Chamber have made thoughtful suggestions for amendments, and I know the Minister will speak to those when he winds up. First, it gives us more security. Others in this place are far more expert on national security than I am, but it is clear that the developments we have seen over the past decade have meant that we have had to re-evaluate our relations with potentially hostile actors, such as China. My right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) spoke very firmly about that. This Bill gives us a proportionate defence against hostile actors who are targeting sensitive UK assets, and in ever more novel and complex ways that we could not have imagined in 2002 when the Enterprise Act on which our current defences rest was passed. It is time to update those powers, and I hope we can do so in a way that will stand the test of time. It is also right that we update those powers with a turnover requirement, because, again to echo my hon. Friend the Member for Wantage, national security is no respecter of the size of a company or where it is in terms of growth. Sometimes very nascent companies could have a significant impact on our national security in future.

The Bill provides more certainty for businesses and a regime that prioritises swift resolution of referrals and call-ins. That is absolutely, fundamentally important. My hon. Friend the Member for Arundel and South Downs (Andrew Griffith) was very much to the point on this. Businesses deserve certainty. If the answer is no on national security grounds, that is fair enough, but we cannot leave things in limbo. One might think that the five-year period does leave businesses in limbo to some extent. I acknowledge my hon. Friend's point that most lawyers will probably suggest that they notify the Minister, and so, as he said, publishing statistics on notifications would be welcome. We need to maintain the UK as a premier foreign direct investment destination, because it is so important to our future, to our recovery from covid, to meeting our net zero targets—I congratulate my hon. Friend the Member for Arundel and South Downs on his appointment on that—and to levelling up. It is particularly relevant to me, in Newcastle-under-Lyme in north Staffordshire, that we continue to attract foreign direct investment so that we can continue to regrow our national economy and our local economies in areas that have not had much investment in the past couple of decades.

To sum up, this Bill will give us a regime in line with some of our strongest allies in the world. It will protect our national security and ensure that Britain remains fully open for business, and for all those reasons, I will be supporting it on Second Reading.

6.10 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): As my right hon. Friend the Member for Doncaster North (Edward Miliband) set out very well in opening the debate, we support the Bill. Inward investment is crucial for businesses across the UK and our economy, but it is also crucial that the UK has the powers in place to scrutinise and intervene in business transactions that could have implications for our national security.

In fact, we would have welcomed this Bill a long time ago. It is clear that the Government have failed to keep pace with other countries, including the United States, France and Germany, that have already taken steps to update the legislation in line with evolving security threats. From serious questions about Huawei's dominant role in the UK's 5G network, as raised many times by the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith), to the takeover of Imagination Technologies by Canyon Bridge, it is inarguable that the Government have been slow off the mark on foreign acquisitions and the possible implications for national security.

Right hon. and hon. Members from all sides agreed on that, including, I think, the Chairs of the Business, Energy and Industrial Strategy Committee, the Science and Technology Committee and the Foreign Affairs Committee, and all five—I think it was five—members of the Intelligence and Security Committee who spoke. I thank colleagues from across the House for their contributions and apologise in advance if I cannot do justice to all of them.

This has been an excellent debate, one that I think showed the House at its best; we heard informed and considered speeches and, where there was disagreement, it was reasoned and open. There is strong agreement across the House that new legislation is necessary to combat changing security threats and to balance those considerations against the ambition to ensure that the UK remains an attractive country in which to invest.

Companies in fast-developing fields, from quantum computing to telecommunications to artificial intelligence to cryptography, are no longer just companies; they are strategic assets that are fundamental to our nation's security. Until now, Ministers have failed to modernise the takeover regime to keep up with this changing landscape, the pace of technological development and what that means for security. Instead, they have continued to operate within a legal framework that, as we have heard, was created almost two decades ago, before Facebook or Twitter were even invented. My hon. Friend the Member for Warrington North (Charlotte Nichols) explained the impact of that uncertainty on the nuclear industry and investment in her constituency.

That is why we strongly welcome the Bill now and agree that it is necessary. It is essential that we get the specific provisions of the Bill right, in order not to deter foreign direct investment while also balancing the need to protect our national security. First, there is the definition of national security, which was raised by many, particularly the hon. Member for Isle of Wight (Bob Seely). The right hon. Member for South Holland and The Depths (Sir John Hayes)—*[Interruption.]* The Deepings, sorry.

Sir John Hayes: As deep as you want!

Chi Onwurah: The right hon. Gentleman is always very deep in his responses. He suggested it was deliberately left undefined in the Bill. The sectors that will be subject to mandatory notification are also not defined in the Bill and, we are told, will be set out in secondary legislation. I thank the hon. Member for Bolton North East (Mark Logan) for his provisional mnemonic and wish him well in updating it.

Definitions, and the lack of them, are important because the proposed powers are not limited by size of turnover or share of supply threshold. They could apply to almost every business transaction within the sectors, and the definition of national security therefore must be set out to help provide clarity for businesses and investors, but it is unclear—perhaps the Minister could provide some of that clarity—whether the takeover of the UK artificial intelligence company DeepMind by Google would have been called in on national security grounds under the scope of this Bill.

In Committee, Labour will seek further details on how the retrospective powers to render acquisitions void would be applied and whether an assessment has been made of the economic and legal consequences for businesses and their employees of acquisitions being rendered void after the fact. The hon. Member for Dundee East (Stewart Hosie) highlighted the Government's capacity, or lack of it, to process the sheer volume of estimated notifications that the Bill will provoke. We need also to look at how businesses, small businesses in particular, will be supported to cope with the new regulations, which may prove difficult to navigate. We will ask also whether an assessment has been made by Government of the impact the changes could have on investment in small businesses—a chilling effect—including university start-ups, particularly those in the 17 key sectors, which was a point made by the hon. Member for The Wrekin (Mark Pritchard).

Labour will also seek assurances about transparency and oversight and how the powers are applied—a worry of the hon. Member for Beckenham (Bob Stewart)—including calling on the Government to explore giving the Intelligence and Security Committee a role in scrutinising the use of powers under this legislation. My right hon. Friend the Member for North Durham (Mr Jones) was right to emphasise the importance of the involvement of and access for the intelligence services.

We hope to work with the Government to ensure that we establish a robust, transparent and fair regime that protects national security, while allowing the UK to continue to enjoy the opportunities that overseas investment affords businesses across our country and economy, but the Bill is also a missed opportunity. It is a missed opportunity to demonstrate what the Government mean by "industrial strategy" and to show that it is more than a slogan. It is a missed opportunity to help UK businesses in key sectors to flourish and grow here in the UK, sustaining and creating jobs—a point on which my hon. Friend the Member for Aberavon (Stephen Kinnock) was particularly eloquent.

Time and again, we see vibrant, growing UK companies sadly lost overseas. While we recognise that foreign acquisition can breathe new life into a company, supporting jobs and growth in the UK, far too often we see UK companies pawned off or stripped for parts. Far too often we see UK companies bought out and wound down to eliminate the competition, with the consequent loss of high-skilled jobs. Nowhere is that more evident than in the technology sector, which must be a key part of any 21st century industrial strategy.

We have lost far too many businesses to Silicon Valley, weakening our technological sovereignty. The takeover of leading UK technological company Arm by the US company Nvidia was announced recently, and while Ministers claim to have scrutinised the deal, they have not been forthcoming with the details. When Arm was previously taken over by SoftBank, legal assurances were extracted about the future of the company's Cambridge headquarters and the UK workforce. Have Ministers extracted the same legal assurances at this time? Will the Minister come clean today?

The Business Secretary said himself that the UK should be open for business but not for exploitation. However, key companies have been cherry picked by companies in San Jose, with the UK consequently losing out. It is therefore not clear that the current takeover regime is fit for purpose.

The weaknesses in the current regime are about not just national security but industrial strategy. Under the current regime, the Secretary of State has the power to intervene in qualifying businesses on four public interest grounds: media plurality, national security, stability of the UK finance system, and the capability to combat and mitigate the effect on public health emergencies.

Sir John Hayes: The coincidence, as I described it, between national interests and national security is profound and is proven. When a company is taken over and technology transfer takes place, it is possible for a nation that is hostile to our interests to gain a sufficient understanding to develop systems that endanger this country, including, in some cases, weapons systems.

Chi Onwurah: The right hon. Member is talking to a chartered engineer who strongly believes that our capability in engineering and the kind of key technologies of which he talks is a basis for our national security, and that national security, without some degree of important technological sovereignty, is difficult to wholly achieve. I look forward to debating that in Committee.

It is worth pointing out that the Government's powers have been used only sporadically in previous interventions, and they are seemingly not underpinned by any real strategy. The hon. Member for East Worthing and Shoreham (Tim Loughton) made a similar point.

Many Conservative Members are vehemently opposed to extending the remit of the Bill to cover industrial strategy, including, but not limited to, the hon. Members for Totnes (Anthony Mangnall), for North West Norfolk (James Wild), for Cities of London and Westminster (Nickie Aiken), for North East Bedfordshire (Richard Fuller), for Wantage (David Johnston), for Rother Valley (Alexander Stafford), for Newcastle-under-Lyme (Aaron Bell) and for South Dorset (Richard Drax). Labour believes, however, that the Government should be able to intervene in the takeover of a critical business on industrial strategy grounds. That power should be paired with defined criteria and transaction thresholds to give businesses and foreign investors clarity and confidence, and to truly make it clear that we are open for business and not exploitation—to coin a phrase.

Why did the Government not bring forward legislation to ensure that technology firms remain in the UK and to end the current ad hoc approach to industrial strategy being pursued by Ministers? That has seen binding commitments often negotiated at the last minute, companies lost, and no clarity as to the rhyme or reason why the Government choose to intervene or not. I urge the Secretary of State and the Minister to continue to approach the Bill in the spirit of collaboration, to address the undefined areas and issues that we have raised, and to shed some light on their long-term industrial strategy, including their plans to keep high-growth technological companies flourishing in the UK.

6.23 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Nadhim Zahawi): It is a pleasure, as ever, to follow the hon. Member for Newcastle upon Tyne Central (Chi Onwurah). I thank all hon. Members who have spoken in this important debate. We have had upwards of 25 speeches, all of which were thoughtfully delivered. I also thank the shadow Secretary of State, the right hon. Member for Doncaster North (Edward Miliband), for his constructive approach to this important piece of legislation. I will aim to respond to as many points made by hon. Members as possible, but I will, of course, write in response to individual questions as well.

I begin by responding to the points of the right hon. Member for Doncaster North and the hon. Member for Newcastle upon Tyne Central, who both raised the grounds for intervention when it comes to the legislation. The legal texts in the Bill are explicit in their reference to national security rather than public interest or wider economic considerations. The hon. Member for Newcastle upon Tyne Central mentioned the particular deal with DeepMind and Google. If it is deemed that the asset is so important to national security—it does not matter who the acquirer is—the Bill would allow us to intervene and block that acquisition.

I have to be clear to the House today that any action the Secretary of State takes under the proposed regime would be to protect national security and not for wider economic or industrial reasons. I am sure that the right hon. Member for Doncaster North will look forward to the industrial strategy refresh that the Secretary of State is committed to publishing in the first quarter of 2021.

To address the point made by my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), we already have a proportionate public interest power on the statute book, and most recently we have legislated to allow intervention for mitigating the effects of public health emergencies. The right hon. Member for Doncaster North and the hon. Member for Newcastle upon Tyne Central also asked about the engagement with Government. The investment security unit will ensure that clear guidance is available to support all businesses engaging with investment screening from the outset. We have made it clear to the investment community that we are committed to effective engagement with businesses on the regime itself, and to ensuring that they are able to access a dedicated, simple online portal to notify us of any potential transaction. Of course, we note the importance of a full Government approach to investment screening. While the unit will be based in BEIS—this point was made by the right hon. Member for North Durham (Mr Jones) when he talked about the ISC—it will work closely with the security agencies and other Departments with real sector expertise. The chief executive of Make UK, Stephen Phipson has recognised this point, saying: "Technology development moves at fast pace and this Bill will modernise the UK's approach in a proportionate way, given the Government's commitment to a quick and streamlined process of evaluation."

More widely, I am happy to meet any hon. and right hon. Member who has today expressed an interest in the workings of the investment security unit. The right hon. Member for Doncaster North also raised the role of the Intelligence and Security Committee, as many other colleagues have done today, and we will of course work constructively with its members and, indeed, with other Committees across the House. I wish the Chair of the Committee, the right hon. Member for New Forest East (Dr Lewis), well, and I would like to thank the other members of the Committee who spoke today. The contributions from the hon. Member for Dundee East (Stewart Hosie), the right hon. Member for North Durham, my hon. Friend the Member for The Wrekin (Mark Pritchard), my right hon. Friend the Member for South Holland and The Deepings (Sir John Hayes) and my hon. Friend the Member for Beckenham (Bob Stewart) were typically excellent and well-informed.

The right hon. Member for Doncaster, North, along with the hon. Member for Bristol North West (Darren Jones), also raised the issue of the five-year period for retrospection. We have come to that view because six months would simply be too short, and we have looked at what other countries have done. It would be relatively easy for hostile parties to keep a trigger event quiet for six months and time us out, but that will be substantially more difficult in a five-year period.

Sir John Hayes: I am extremely grateful to the Minister for his comments about the members of the ISC who have contributed to the debate. Given the range of questions posed to him by ISC members, will he commit to write to the Committee formally to pick up those points, so that the Committee has a clear set of answers to the series of questions posed? It would not be fair to expect him to deal with all of them now.

Nadhim Zahawi: I can certainly give my right hon. Friend that commitment; I will do that.

My right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith), my hon. Friend the Member for Isle of Wight (Bob Seely) and the hon. Member for Oxford West and Abingdon (Layla Moran), who is not in her place, probed on the definition of national security. A number of hon. Members have argued that the definition of national security is too narrow. I would gently point out that the Bill does not seek to define it at all, as some other Members have quite rightly argued, including, very wisely, my hon. Friend the Member for Beckenham. I think that is a real strength of the Bill, not a weakness. It means that the Government have the flexibility to act as risks change over time. The statement of policy that was published last week refers to espionage, disruption and destruction and inappropriate leverage. Those are examples of national security, not the exhaustive content of it. We need to maintain a degree of flexibility in our approach, as my hon. Friends the Members for Wantage (David Johnston)

[Nadhim Zahawi]

and for Beckenham recognised. I appreciate that these are quite important powers, and of course they are fully justiciable under the Bill. Hon. Members can feel secure knowing that their use, including the application of national security, can be fully tested in closed courts if necessary.

The Chair of the Science and Technology Committee, my right hon. Friend the Member for Tunbridge Wells (Greg Clark), and my hon. Friend the Member for The Wrekin expressed concerns that these reforms will somehow threaten investment in small tech firms. I again remind the House that we estimate that the vast majority of transactions across the economy will not be affected by this legislation, and we do not expect to take action in relation to most of the small number that are notifiable. We will make any interactions with the Government simpler, quicker and slicker by providing clearance to most transactions within 30 days, and often quicker. Notifiable investments will be submitted through a new digital portal. At the spring Budget, the Government committed to increase public spending on R&D to £22 billion, which I think is music to the ears of many innovators in our country.

My right hon. Friend the Member for Tunbridge Wells and my hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat) made the important point that the Bill does not set out a minimum size of business affected by the regime. As the Secretary of State set out, the threats we face today do not correlate to the size of the parties concerned, as they perhaps once did. This is unfortunately the world we live in. I am glad that we live in a country in which small and medium-sized businesses thrive so mightily and are often at the vanguard of cutting-edge technologies, but it is only right that the Government have flexible powers to intervene when the acquisition of such businesses may pose a risk to our national security.

My hon. Friend the Member for Isle of Wight, the hon. Member for Bristol North West (Darren Jones) and the right hon. Member for North Durham (Mr Jones) raised the issue of supply chains. The covid pandemic has demonstrated the importance of resilience in supply chains to ensure the continued flow of essential items to keep global trade moving. We have focused on ensuring supply chains for goods such as PPE. When we entered the pandemic, only 1% was manufactured in the UK; it is now about 70%. That is why we are looking at what other steps we can take to ensure that we have diverse supply chains in place. We will consider all our global supply chains to avoid shortages in the event of future crises.

My hon. Friend the Member for Tonbridge and Malling, my right hon. Friend the Member for South Holland and The Deepings and the hon. Member for Dundee East also probed the assessment process. We will make any interaction with the Government much simpler, quicker and slicker, and I am very happy to share how we are doing that.

The Chair of the BEIS Committee, the hon. Member for Bristol North West, probed our approach to sectors. It is important for the regime to reflect technological change and keep up with the investment landscape. We welcome views from across the business community on our sector consultation, and officials from across Government are already engaging with the sectors' experts to ensure that those definitions are tight.

In the time that I have left, I want to tackle the issue of human rights. My hon. Friends the Members for Isle of Wight and for Totnes (Anthony Mangnall), and the hon. Member for Oxford West and Abingdon raised the issue of human rights, particularly in relation to Xinjiang and the Uyghur people. We take our responsibility incredibly seriously and are concerned about gross violations of human rights being perpetrated against the Uyghur Muslims and other minorities in Xinjiang. We have played a leading international role in holding China to account on these abuses and we will continue to do so through the UN and other opportunities that we have. In respect of the risk of UK business complicity in human rights violations, including forced labour, we have urged all UK businesses to conduct due diligence on their supply chains and are taking steps to strengthen supply chain transparency.

In conclusion, we have had an excellent debate today and I again thank right hon. and hon. Members for their contributions. I look forward to further probing the Bill and getting it right together in Committee.

Question put and agreed to.

Bill accordingly read a Second time.

NATIONAL SECURITY AND INVESTMENT BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the National Security and Investment Bill:

Committal

(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 15 December 2020.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading

(4) Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(6) Standing Order No.83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

(7) Any other proceedings on the Bill may be programmed.—*(David Duguid.)*

Question agreed to.

NATIONAL SECURITY AND INVESTMENT BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act arising from the National Security and Investment Bill, it is expedient to authorise:

(1) the payment of sums out of money provided by Parliament of any expenditure incurred under or by virtue of the Act by the Secretary of State, and

(2) the payment of sums into the Consolidated Fund.—*(David Duguid.)*

Question agreed to.

Botulinum Toxin and Cosmetic Fillers (Children) Bill (Money)

Queen's recommendation signified.

Resolved,

That, for the purposes of any Act resulting from the Botulinum Toxin and Cosmetic Fillers (Children) Bill, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable under any other Act out of money so provided.—*(Ms Dorries.)*

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EXITING THE EUROPEAN UNION (CONSUMER PROTECTION)

That the draft Product Safety and Metrology etc. (Amendment etc.) (UK(NI) Indication) (EU Exit) Regulations 2020, which were laid before this House on 13 October, be approved.—*(David Duguid.)*

Question agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EXITING THE EUROPEAN UNION (ENVIRONMENTAL PROTECTION)

That the draft Road Vehicle Carbon Dioxide Emission Performance Standards (Cars and Vans) (Amendment) (EU Exit) Regulations 2020, which were laid before this House on 13 October, be approved.—*(David Duguid.)*

The House divided: Ayes 361, Noes 245.

Division No. 172] [6.38 pm

AYES

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Ahmad Khan, Imran
Aiken, Nickie
Aldous, Peter
Allan, Lucy
Amess, Sir David
Anderson, Lee
Anderson, Stuart
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atherton, Sarah
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baillie, Siobhan
Baker, Duncan
Baker, Mr Steve
Baldwin, Harriett
Barclay, rh Steve
Baron, Mr John
Baynes, Simon
Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Braverman, rh Suella
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Bristow, Paul
Britcliffe, Sara
Brokenshire, rh James
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Robert
Burghart, Alex
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Campbell, Mr Gregory
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, rh Greg
Clarke, Mr Simon
Clarke, Theo
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Coutinho, Claire
Cox, rh Mr Geoffrey
Crosbie, Virginia
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davis, rh Mr David
Davison, Dehenna
Dinenage, Caroline
Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, rh Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Eastwood, Mark
Edwards, Ruth
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Evennett, rh Sir David
Everitt, Ben
Fabricant, Michael
Farris, Laura
Fell, Simon
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Mr Marcus
Gale, rh Sir Roger
Garnier, Mark
Ghani, Ms Nusrat
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goodwill, rh Mr Robert
Gove, rh Michael
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Hayes, rh Sir John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Henderson, Gordon
Henry, Darren
Higginbotham, Antony
Hinds, rh Damian
Hoare, Simon
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Jack, rh Mr Alister
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Sir Bernard
Jenkinson, Mark
Jenkyns, Andrea
Jenrick, rh Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Fay
Jones, Mr Marcus
Jupp, Simon
Kawczynski, Daniel
Kearns, Alicia
Keegan, Gillian
Knight, rh Sir Greg
Knight, Julian
Kruger, Danny
Kwarteng, rh Kwasi
Lamont, John
Largan, Robert
Latham, Mrs Pauline
Leadsom, rh Andrea
Leigh, rh Sir Edward
Levy, Ian
Lewer, Andrew

Lewis, rh Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lockhart, Carla
Loder, Chris
Logan, Mark
Longhi, Marco
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Mackrory, Cherilyn
Maclean, Rachel
Mak, Alan
Malthouse, Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome
Maynard, Paul
McCartney, Jason
McCartney, Karl
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Miller, rh Mrs Maria
Milling, rh Amanda
Mills, Nigel
Mitchell, rh Mr Andrew
Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, Anne Marie
Morris, David
Morris, James
Morrissey, Joy
Morton, Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Murrison, rh Dr Andrew
Neill, Sir Robert
Nici, Lia
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Philp, Chris
Pincher, rh Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, rh Dominic
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richards, Nicola
Richardson, Angela
Roberts, Rob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Russell, Dean
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, rh Alok
Shelbrooke, rh Alec
Simmonds, David
Skidmore, rh Chris
Smith, Chloe
Smith, Greg
Smith, Henry
Smith, rh Julian
Smith, Royston
Solloway, Amanda
Spencer, Dr Ben
Spencer, rh Mark
Stafford, Alexander
Stephenson, Andrew
Stevenson, Jane
Stevenson, John
Stewart, Bob
Stewart, Iain
Streeter, Sir Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trevelyan, rh Anne-Marie
Trott, Laura
Truss, rh Elizabeth
Tugendhat, Tom
Vara, Mr Shailesh
Vickers, Martin
Vickers, Matt
Villiers, rh Theresa
Wakeford, Christian
Walker, Mr Robin
Wallace, rh Mr Ben
Wallis, Dr Jamie
Warburton, David
Warman, Matt
Watling, Giles
Webb, Suzanne
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Wild, James
Williams, Craig
Williamson, rh Gavin
Wilson, rh Sammy
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Young, Jacob
Zahawi, Nadhim

Tellers for the Ayes:
Maggie Throup and David Rutley

NOES

Abbott, rh Ms Diane
Abrahams, Debbie
Ali, Rushanara
Ali, Tahir
Allin-Khan, Dr Rosena
Amesbury, Mike
Anderson, Fleur
Antoniazzi, Tonia
Ashworth, Jonathan
Bardell, Hannah
Barker, Paula
Beckett, rh Margaret
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blake, Olivia
Blomfield, Paul
Bonnar, Steven
Brabin, Tracy
Bradshaw, rh Mr Ben
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Ms Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Butler, Dawn
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Callaghan, Amy
Cameron, Dr Lisa
Campbell, rh Sir Alan
Carden, Dan
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Champion, Sarah
Chapman, Douglas
Cherry, Joanna
Clark, Feryal
Cooper, Daisy
Cooper, Rosie
Corbyn, rh Jeremy
Cowan, Ronnie
Crawley, Angela
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Daby, Janet
Davey, rh Ed
David, Wayne
Davies, Geraint
Davies-Jones, Alex
Day, Martyn
De Cordova, Marsha
Debbonaire, Thangam
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doogan, Dave
Dorans, Allan
Dowd, Peter
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Elliott, Julie
Elmore, Chris
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Farron, Tim
Farry, Stephen
Fellows, Marion
Ferrier, Margaret
Flynn, Stephen
Fovargue, Yvonne
Foxcroft, Vicky
Foy, Mary Kelly
Furniss, Gill
Gardiner, Barry
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Hamilton, Fabian
Hanna, Claire
Hanvey, Neale
Hardy, Emma
Harman, rh Ms Harriet
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hill, Mike
Hillier, Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Rachel
Hosie, Stewart
Howarth, rh Sir George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Dame Diana
Johnson, Kim
Jones, Darren
Jones, Gerald
Jones, rh Mr Kevan
Jones, Ruth
Jones, Sarah

Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Kyle, Peter
Lake, Ben
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lewis, Clive
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lynch, Holly
MacAskill, Kenny
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McKinnell, Catherine
McLaughlin, Anne
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Mishra, Navendu
Monaghan, Carol
Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Murray, James
Nandy, Lisa
Newlands, Gavin
Nichols, Charlotte
Nicolson, John
Norris, Alex
O'Hara, Brendan
Olney, Sarah
Onwurah, Chi
Oppong-Asare, Abena
Osamor, Kate
Osborne, Kate
Oswald, Kirsten
Owatemi, Taiwo
Owen, Sarah
Pennycook, Matthew
Perkins, Mr Toby
Phillips, Jess
Phillipson, Bridget
Pollard, Luke
Powell, Lucy
Qureshi, Yasmin
Rayner, Angela
Reed, Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Jonathan
Ribeiro-Addy, Bell
Rimmer, Ms Marie
Rodda, Matt
Russell-Moyle, Lloyd
Saville Roberts, rh Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Siddiq, Tulip
Slaughter, Andy
Smith, Alyn
Smith, Jeff
Smith, Nick
Smyth, Karin
Sobel, Alex
Spellar, rh John
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Stringer, Graham
Sultana, Zarah
Tami, rh Mark
Tarry, Sam
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twist, Liz
Webbe, Claudia
West, Catherine
Whitehead, Dr Alan
Whitford, Dr Philippa
Whitley, Mick
Whittome, Nadia
Williams, Hywel
Wilson, Munira
Winter, Beth
Wishart, Pete
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Noes:
Matt Western and Bambos Charalambous

Question accordingly agreed to.

The list of Members currently certified as eligible for a proxy vote, and of the Members nominated as their proxy, is published at the end of today's debates.

PETITIONS

Retirement age of prison officers

6.49 pm

Martyn Day (Linlithgow and East Falkirk) (SNP): I rise to present a petition on behalf of my constituents in Linlithgow and East Falkirk relating to the retirement age of prison officers, an issue I have raised on their behalf on a number of occasions before. I would like to place on the record my gratitude to the hon. Members from both sides of the House who signed my early-day motion 654 earlier in the year.

The petition, which I fully agree with, states:

The petition of residents of Linlithgow and East Falkirk,

Declares that prison officers carry out some of the hardest public service work in dangerous and often violent conditions and yet they are expected to continue to carry out this work until they are 68 years old; further that police officers can retire at 60 years old even though they do not experience the same unrelenting threatening conditions; further that people living longer does not mean their physical and mental abilities can withstand the daily demands placed on prison officers; and further that the retirement age of prison officers should be aligned with that of police officers.

The petitioners therefore request that the House of Commons urges the Government to bring down the retirement age of prison officers to 60 as 68 years of age is too old to cope with the physical and mental challenges of being a prison officer on a daily basis; and to afford prison officers more generally the same consideration as police officers, who have periodic contact with the same type of offenders.

And the petitioners remain, etc.

[P002625]

Police violence in Lagos on 20 October 2020

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I rise to present a petition calling for the Government to rally international condemnation of police brutality in Nigeria. The petition was instigated by the Nigerian Association, Tyne and Wear.

The petition states:

The petition of residents of the constituency of Newcastle Upon Tyne Central,

Declares that the British Government and wider international community should condemn in the strongest possible terms the Nigerian military opening fire on protesters at Lagos Lekki Toll Gate on 20 October 2020 in which there are reports that 69 people were killed, of whom 51 are believed to be civilians, 11 police officers and seven were soldiers; further declares that these people were peacefully protesting against police brutality committed by, but not limited to, the Special Anti-Robbery Squad (SARS).

The petitioners therefore request that the House of Commons urge the Government to take action to rally the international community and ensure the Nigerian Government investigates this brutal violation of human rights in full, to encourage the relevant authorities to charge officers and soldiers guilty of killing unarmed protestors, to explore sanctions on the Nigerian Government if guilty of corruption, and to provide a strong voice against corruption and violence in Nigeria.

And the petitioners remain, etc.

[P002628]

Cleveland Bridge: Weight Limit

Motion made, and Question proposed, That this House do now adjourn.—*(David Duguid.)*

6.52 pm

Wera Hobhouse (Bath) (LD): Good evening, Madam Deputy Speaker. I am very grateful to have been granted this debate on the future of Cleveland bridge, which is of high importance for my constituents in Bath. I look forward to the Minister's full response.

Cleveland bridge is a grade II* listed structure. It forms part of the character of Bath's UNESCO world heritage status. It is worth reminding fellow hon. and right hon. Members that Bath shares its unique status only with Venice. Not just parts of our city but the whole city and its setting are a world heritage site. The protection of the city as a whole is of national importance, and it should not just be the citizens of Bath and the council that are called on to safeguard this treasure for future generations.

There is another aspect to this debate. Bath is a city identified as suffering from illegally high levels of air pollution, and it has been ordered by the Government to bring pollution levels down to the required legal minimum. The council has worked hard to develop a strategy in response. The route with one of the highest levels of air pollution is London Road leading towards Cleveland bridge.

Cleveland bridge links the north and the south of the city over the River Avon just a short walk from the city centre and is surrounded in all directions by listed architecture. Unfortunately, it is part of the primary road network and therefore has to be open to all traffic. The bridge consists of 19th-century ironwork with a 1920s concrete deck, but the weight of modern heavy goods vehicles is shaking the bridge to bits. Heavy traffic on the A36 and the alternative A350 has been an ongoing source of tension for many residents for many years. Not only are there issues at Cleveland bridge, but just a few miles away at the village of Limpley Stoke, the A36 suffers from regular landslips. It is also true that the A350 has issues and needs better infrastructure.

In 2009, Wiltshire Council attempted to put in the Westbury bypass to improve the A350 corridor. That was supported by Bath and North East Somerset Council, but the implementation of the plan was stopped by a public inquiry in 2009. In 2012, Bath and North East Somerset Council attempted to put a weight limit on Cleveland bridge. Objections were received from Wiltshire and Highways England, leading to a judicial review. Bath and North East Somerset Council was told it could not impose a reduced weight limit of 18 tonnes.

It is of note that the 2012 ruling states that

"we are conscious of Bath and North East Somerset's important concerns about local air quality. The Department is not, in line with PRN guidance, commenting on the air quality aims of the proposed scheme."

Eight years on, and especially since the challenge to Government by ClientEarth, the goalposts on air quality have completely changed. It is time that the Department for Transport commented on air quality in Bath when it comes to the A4/A36 route over Cleveland bridge.

It is clear that from the south coast to the M4, there is a shortage of suitable routes to take north-south traffic. For example, routes travelling east to west move at approximately 60 mph, but north-south routes travel at 30 mph. The impact is not just about lorries going through villages, but the loss of economic activity and efficiency.

Over the past few years, Wiltshire Council, Dorset Council and Bath and North East Somerset Council have formed an alliance. They recognised that, however much investment they made as local authorities, it would not be enough to fund the improvement of any one route. Additionally, if any authority favoured a particular route, it would become politically very challenging. I thank all colleagues across those three local authorities for the work they have put in so far, working together on a complex set of circumstances.

The alliance threw the question back to the Government and asked for an economic study to take place, and the relatively simple question was: which is the best route, and how do we improve it? This is now called the strategic study and is being undertaken by Highways England as part of its road improvement strategy. Highways England and the Government now have ownership of the issue. The A350 has been selected to be looked at in-depth.

I am grateful to the Minister, Baroness Vere from the other place, for responding to me in her letter on 22 October. She wrote that the improvement strategy will review the case for adopting the A350 corridor as the main strategic route in place of the A36/A46 and will consider the case for trunking or detrunking these key roads. The study alone will take until approximately 2023 to complete and then, if adopted, the third phase of the road improvement strategy will provide the framework to implement and pay for the necessary upgrades. In the meantime, Cleveland bridge will be closed for much of next year as urgent repairs to the structure are carried out. I am grateful to the Department for Transport for making funds available.

As I said before, Cleveland bridge is a grade II* listed structure. In their 1992 report, the engineers who carried out the last set of repairs stated that they did so on the understanding that the then local authority would exclude the heaviest vehicles. That never happened. In fact, it got worse.

The challenge of a listed heritage asset is that you have to work with the structure as it is listed. You cannot replace the Victorian ironwork—because it is listed. You cannot replace the 1920s concrete deck—because it is listed. You can only repair and strengthen them, but they will never be stronger than when they were new, and when they were new, they were never expected to carry the very heavy vehicles that are being used today. The innovation of the bridge's design, in both the early 19th and 20th centuries, is recognised in its listing, but those designs never envisaged that the bridge would be on a modern primary road network, with all that that entails.

7 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—*(David Duguid.)*

Wera Hobhouse: Next year will see the very latest technology deployed to save the 1920s concrete structure. The danger is that bringing back the heaviest lorries will hasten the collapse of the deck, destroying the listed

asset forever. With continuing heavy lorries, it is estimated that the current repairs may last for only 15 years. Therefore, without a permanent weight restriction, my concern is that while progress will be slow on an upgrade to the A350, Cleveland bridge will again be in need of urgent, serious repairs very soon. We cannot let that happen. It is absolutely essential that we set a weight limit that the bridge can sustain for the long term.

The Department for Transport has expressed its view that the A350, as the major north-south link, is a viable option, and in Bath neither I nor the council would disagree. However, the Department for Transport has not done enough so far to create a consensus among councils and MPs in the Wiltshire constituencies to take this option forward to its final completion. It would be interesting to hear from the Minister whether the Government are actually looking into any other viable options.

In the meantime, people in Bath have waited for years for a solution. So, while we are waiting, the first thing that I would like to happen is for the Department for Transport to allow Bath and North East Somerset Council to have the power of decision making over its own infrastructure and keep the current 18-tonne limit. The council does not have that power on its own.

We are looking for the Government to consent to a permanent 18-tonne weight limit on Cleveland bridge. That is my ask to the Minister. The co-operation of the Government would benefit not only the people of Bath but the whole nation, and safeguard our heritage for future generations. The impact of a weight restriction would help to reduce air pollution across the city, in line with the Government's important aim to improve people's health. Last but not least, it would work in tandem with the Government's ambition to improve their strategic A350 network and the overall economic benefits to the region. I look forward to the Minister's response.

7.2 pm

The Parliamentary Under-Secretary of State for Transport (Rachel Maclean): I congratulate the hon. Member for Bath (Wera Hobhouse) on securing the debate. I know that Cleveland bridge, that iconic grade II* listed structure, which she has described in great detail and very eloquently, built in 1826, is of great significance to her constituents, and indeed the nation. As she highlighted, it is a UNESCO world heritage status site.

I know that many of the hon. Lady's constituents have contacted her about this important local issue, and she has been extremely assiduous in discussing their thoughts and concerns in more detail. I of course agree with her that the protection of Bath is of national importance, and that is why it is good to have this debate tonight.

I want to put on the record a note of thanks to the hon, Lady's local colleagues in Bath. She references the work on the clean air zones and the strategy. My Department has very close working with Bath, and we very much appreciate and thank those people for their work taking forward that important policy.

As I am sure the hon. Lady is aware, the Government are taking action to invest to improve England's local highway infrastructure—the dense network of local roads of which Cleveland bridge is part. We know that, without that investment in local roads, delays and disruption occur for the travelling public and businesses. I am really glad that the hon. Lady referred to that. She noted and appreciated the funding that Bath and North East Somerset Council has received from the Department for repairs to that iconic great bridge. The Department's grant for the project is £3.56 million of a total cost of £3.92 million, and the council is providing the remaining £360,000.

The highways maintenance challenge fund enables local highway authorities to undertake major maintenance projects that are otherwise difficult to fund from the regular highways maintenance block funding allocations. Improving and maintaining our local transport infrastructure is essential for economic growth and connectivity, and Cleveland bridge is certainly no exception. As part of our wider commitments to road maintenance, the Government are committed to improving local journeys and ensuring that our local road network is safe and reliable. We are therefore investing more than £7.1 billion in highways maintenance between 2015 and 2020-21 to help councils to keep roads and vital local infrastructure, such as bridges, in good condition.

Wera Hobhouse: I thank the Minister for elaborating on the funds that are available. As I mentioned in my speech, the problem is that if the bridge continues to have heavy goods vehicles on it even after the repair, it will very quickly need repairs again. Is it not a false economy not to put a permanent weight restriction on the bridge?

Rachel Maclean: I thank the hon. Member for her questions. I assure her that I will address those points—I hope, to her satisfaction. I have a copy of her letter to the Department with me.

We know that road condition, particularly the quality of road surfaces, is a concern for all road users, so we are making more money available for major repairs and trials of new technology to help local authorities future-proof our roads.

The local enterprise partnership, the West of England Combined Authority, considers the repair of Cleveland bridge and Saint Philip's causeway viaduct as priorities. It sees Cleveland bridge and St Philips causeway as key structures in its regional network. As the hon. Member rightly said, issues on both structures have resulted in weight and speed restrictions, which the authority considers incur significant associated economic cost. Its view is that further restrictions will have an impact on safety, the economy and air quality, with higher carbon emissions. That is why the authority is very supportive of investment prioritisation for both these schemes.

Cleveland bridge has had funds allocated to it for its repairs, but I understand that the work has not started yet. Officers at the council propose that the work should begin in May or June next year, subject to the backing of council members, some of whom share the hon. Member's concerns about the impact of HGVs on routes through Bath if the 18-tonne weight restriction is removed when the bridge is repaired. It would be a matter for the council to decide how to go forward, but I am sure that it is listening to the debate with great interest. I encourage her to continue working closely with the council to ensure that these important works can be undertaken.

I turn to the road investment strategy, which the hon. Member also touched on in her remarks. Bath's Cleveland bridge provides a link between the A46 and A36 roads,

[Rachel Maclean]

which approach either side of Bath. It therefore forms part of an important through route between the Dorset coast and the M4. The majority of the route is part of the strategic road network—that is, roads managed by Highways England that link our most important population centres and international gateways, such as ports and airports.

Through the setting of periodic road investment strategies, the Government set out their strategic vision for the network and specify what Highways England must deliver in terms of road enhancements and day-to-day performance. To inform the content of the strategies, the Department and Highways England develop a substantial evidence base about the network, its current performance and likely future pressures. This is a product of several years of research, analysis, public engagement and consultation. These issues are of central importance in and around the city of Bath, and any long-term solution for reducing the impact of traffic at the Cleveland bridge will need to acknowledge and respond to this sensitive and deeply valued setting in relation to the natural, built and historic environment.

The hon. Member mentioned the strategic study. In situations where there is a recognised substantial problem or gap in current transport infrastructure, the Department commissions such a study to examine the issues and consider options that could address them. The unsatisfactory nature of the A36/A46 route passing Bath has long been acknowledged. The present dualled A4/A46 trunk road, the Batheaston bypass, was opened in 1996, but proposals to link the A4 to the A36 at Bathampton were rejected following a public inquiry. I am grateful to the hon. Lady for providing a lot more detail on the history associated with that to the House.

Subsequent proposals to revisit the options at that location, promoted by the local authority in connection with proposals for an eastern park and ride site, have not resolved the issue. There is a general recognition of the substantial factors that constrain choices for making meaningful improvements. In that light, the second road investment strategy committed Highways England to carrying out such a strategic study that will review north-south connections between the M4 and the Dorset coast. That will include a review of the case for adopting the A350 corridor as the main strategic route for the area in place of the A36/A46 via Bath and will consider the case for the trunking or de-trunking of key routes. So I hope I can reassure the hon. Lady that both Highways England and officials in the Department will engage with the Western Gateway as well as with a range of local stakeholders as the study develops. I should add that decisions about how Bath is best linked to the major destinations are for the relevant local highway authority to make.

Wera Hobhouse: I thank the Minister for the detailed description of what is taking place now, but, as I said in my remarks, this will take years, and in the meantime the people of Bath have an 18-tonne weight restriction on the bridge. Why can the Department not allow Bath and North East Somerset Council to retain that limit? It will be good for the bridge, the people of Bath and our national heritage.

Rachel Maclean: I thank the hon. Lady for her questions and her persistence. I have no doubt that the relevant stakeholders, including the local highway authorities, will be listening with great interest when they come to make their deliberations on these really important issues for the people of Bath.

In closing, I have mentioned the engagement taking place, but if the hon. Lady wishes to continue more engagement here in this place and with my noble Friend Baroness Vere in the other place, who is responsible directly for this particular matter of policy, I am sure she will find a lot of reassurance that she can offer her constituents. I thank her once again for this debate.

Question put and agreed to.

7.12 pm

House adjourned.

Members Eligible for a Proxy Vote

The following is the list of Members currently certified as eligible for a proxy vote, and of the Members nominated as their proxy:

Member eligible for proxy vote	Nominated proxy
Ms Diane Abbott (Hackney North and Stoke Newington) (Lab)	Bell Ribeiro-Addy
Debbie Abrahams (Oldham East and Saddleworth) (Lab)	Chris Elmore
Nigel Adams (Selby and Ainsty) (Con)	Stuart Andrew
Imran Ahmad Khan (Wakefield) (Con)	Stuart Andrew
Nickie Aiken (Cities of London and Westminster) (Con)	Stuart Andrew
Peter Aldous (Waveney) (Con)	Stuart Andrew
Rushanara Ali (Bethnal Green and Bow) (Lab)	Chris Elmore
Tahir Ali (Birmingham, Hall Green) (Lab)	Chris Elmore
Lucy Allan (Telford) (Con)	Mark Spencer
Dr Rosena Allin-Khan (Tooting) (Lab)	Chris Elmore
Mike Amesbury (Weaver Vale) (Lab)	Chris Elmore
Sir David Amess (Southend West) (Con)	Stuart Andrew
Fleur Anderson (Putney) (Lab)	Chris Elmore
Lee Anderson (Ashfield) (Con)	Mark Spencer
Stuart Anderson (Wolverhampton South West) (Con)	Stuart Andrew
Caroline Ansell (Eastbourne) (Con)	Stuart Andrew
Tonia Antoniazzi (Gower) (Lab)	Chris Elmore
Edward Argar (Charnwood) (Con)	Stuart Andrew
Sarah Atherton (Wrexham) (Con)	Stuart Andrew
Victoria Atkins (Louth and Horncastle) (Con)	Stuart Andrew
Mr Richard Bacon (South Norfolk) (Con)	Stuart Andrew
Kemi Badenoch (Saffron Walden) (Con)	Stuart Andrew
Siobhan Baillie (Stroud) (Con)	Stuart Andrew
Steve Barclay (North East Cambridgeshire) (Con)	Stuart Andrew
Hannah Bardell (Livingston) (SNP)	Patrick Grady
Mr John Baron (Basildon and Billericay) (Con)	Stuart Andrew
Simon Baynes (Clwyd South) (Con)	Stuart Andrew
Margaret Beckett (Derby South) (Lab)	Chris Elmore
Scott Benton (Blackpool South) (Con)	Stuart Andrew
Sir Paul Beresford (Mole Valley) (Con)	Stuart Andrew
Jake Berry (Rossendale and Darwen) (Con)	Stuart Andrew
Clive Betts (Sheffield South East) (Lab)	Chris Elmore
Saqib Bhatti (Meriden) (Con)	Stuart Andrew
Mhairi Black (Paisley and Renfrewshire South) (SNP)	Patrick Grady
Ian Blackford (Ross, Skye and Lochaber) (SNP)	Patrick Grady
Bob Blackman (Harrow East) (Con)	Stuart Andrew
Kirsty Blackman (Aberdeen North) (SNP)	Patrick Grady
Olivia Blake (Sheffield, Hallam) (Lab)	Chris Elmore
Paul Blomfield (Sheffield Central) (Lab)	Chris Elmore
Crispin Blunt (Reigate) (Con)	Stuart Andrew
Mr Peter Bone (Wellingborough) (Con)	Stuart Andrew
Steven Bonnar (Coatbridge, Chryston and Bellshill) (SNP)	Patrick Grady
Andrew Bowie (West Aberdeenshire and Kincardine) (Con)	Stuart Andrew
Tracy Brabin (Batley and Spen) (Lab/Co-op)	Chris Elmore
Ben Bradley (Mansfield) (Con)	Stuart Andrew
Mr Ben Bradshaw (Exeter) (Lab)	Chris Elmore
Suella Braverman (Fareham) (Con)	Stuart Andrew
Kevin Brennan (Cardiff West) (Lab)	Chris Elmore
Andrew Bridgen (North West Leicestershire) (Con)	Stuart Andrew
Steve Brine (Winchester) (Con)	William Wragg
Sara Britcliffe (Hyndburn) (Con)	Stuart Andrew
Deidre Brock (Edinburgh North and Leith) (SNP)	Patrick Grady
James Brokenshire (Old Bexley and Sidcup) (Con)	Stuart Andrew
Alan Brown (Kilmarnock and Loudon) (SNP)	Patrick Grady
Ms Lyn Brown (West Ham) (Lab)	Chris Elmore
Chris Bryant (Rhondda) (Lab)	Chris Elmore
Ms Karen Buck (Westminster North) (Lab)	Chris Elmore
Robert Buckland (South Swindon) (Con)	Stuart Andrew
Alex Burghart (Brentwood and Ongar) (Con)	Stuart Andrew
Richard Burgon (Leeds East) (Lab)	Bell Ribeiro-Addy
Conor Burns (Bournemouth West) (Con)	Stuart Andrew
Dawn Butler (Brent Central) (Lab)	Bell Ribeiro-Addy
Ian Byrne (Liverpool, West Derby) (Lab)	Chris Elmore
Liam Byrne (Birmingham, Hodge Hill) (Lab)	Chris Elmore
Ruth Cadbury (Brentford and Isleworth) (Lab)	Chris Elmore
Alun Cairns (Vale of Glamorgan) (Con)	Stuart Andrew
Amy Callaghan (East Dunbartonshire) (SNP)	Patrick Grady
Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP)	Patrick Grady
Mr Gregory Campbell (East Londonderry) (DUP)	Gavin Robinson
Andy Carter (Warrington South) (Con)	Stuart Andrew
James Cartlidge (South Suffolk) (Con)	Stuart Andrew
Sir William Cash (Stone) (Con)	Stuart Andrew
Miriam Cates (Penistone and Stocksbridge) (Con)	Stuart Andrew
Alex Chalk (Cheltenham) (Con)	Stuart Andrew
Sarah Champion (Rotherham) (Lab)	Chris Elmore
Douglas Chapman (Dunfermline and West Fife) (SNP)	Patrick Grady
Joanna Cherry (Edinburgh South West) (SNP)	Patrick Grady
Jo Churchill (Bury St Edmunds) (Con)	Stuart Andrew
Feryal Clark (Enfield North) (Lab)	Chris Elmore
Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con)	Stuart Andrew
Theo Clarke (Stafford) (Con)	Stuart Andrew

Member eligible for proxy vote	Nominated proxy
Brendan Clarke-Smith (Bassetlaw) (Con)	Stuart Andrew
Chris Clarkson (Heywood and Middleton) (Con)	Stuart Andrew
James Cleverly (Braintree) (Con)	Stuart Andrew
Dr Thérèse Coffey (Suffolk Coastal) (Con)	Stuart Andrew
Damian Collins (Folkestone and Hythe) (Con)	Stuart Andrew
Daisy Cooper (St Albans) (LD)	Wendy Chamberlain
Rosie Cooper (West Lancashire) (Lab)	Chris Elmore
Jeremy Corbyn (Islington North) (Ind)	Bell Ribeiro-Addy
Alberto Costa (South Leicestershire) (Con)	Stuart Andrew
Claire Coutinho (East Surrey) (Con)	Stuart Andrew
Ronnie Cowan (Inverclyde) (SNP)	Patrick Grady
Geoffrey Cox (Torridge and West Devon) (Con)	Stuart Andrew
Angela Crawley (Lanark and Hamilton East) (SNP)	Patrick Grady
Stella Creasy (Walthamstow) (Lab)	Chris Elmore
Virginia Crosbie (Ynys Môn) (Con)	Stuart Andrew
Tracey Crouch (Chatham and Aylesford) (Con)	Rebecca Harris
Jon Cruddas (Dagenham and Rainham) (Lab)	Chris Elmore
John Cryer (Leyton and Wanstead) (Lab)	Chris Elmore
Judith Cummins (Bradford South) (Lab)	Chris Elmore
Alex Cunningham (Stockton North) (Lab)	Chris Elmore
Janet Daby (Lewisham East) (Lab)	Chris Elmore
James Daly (Bury North) (Con)	Stuart Andrew
Ed Davey (Kingston and Surbiton) (LD)	Wendy Chamberlain
Gareth Davies (Grantham and Stamford) (Con)	Stuart Andrew
Geraint Davies (Swansea West) (Lab/Co-op)	Chris Evans
Mims Davies (Mid Sussex) (Con)	Stuart Andrew
Alex Davies-Jones (Pontypridd) (Lab)	Chris Elmore
Mr David Davis (Haltemprice and Howden) (Con)	Stuart Andrew
Martyn Day (Linlithgow and East Falkirk) (SNP)	Patrick Grady
Thangam Debbonaire (Bristol West) (Lab)	Chris Elmore
Marsha De Cordova (Battersea)	Rachel Hopkins
Mr Tanmanjeet Singh Dhesi (Slough) (Lab)	Chris Elmore
Caroline Dinenage (Gosport) (Con)	Stuart Andrew
Miss Sarah Dines (Derbyshire Dales) (Con)	Stuart Andrew
Martin Docherty-Hughes (West Dunbartonshire) (SNP)	Patrick Grady
Michelle Donelan (Chippenham) (Con)	Stuart Andrew
Dave Doogan (Angus) (SNP)	Patrick Grady
Allan Dorans (Ayr, Carrick and Cumnock) (SNP)	Patrick Grady
Ms Nadine Dorries (Mid Bedfordshire) (Con)	Stuart Andrew
Steve Double (St Austell and Newquay) (Con)	Stuart Andrew
Peter Dowd (Bootle) (Lab)	Chris Elmore
Oliver Dowden (Hertsmere) (Con)	Stuart Andrew
Richard Drax (South Dorset) (Con)	Stuart Andrew
Jack Dromey (Birmingham, Erdington) (Lab)	Chris Elmore
Mrs Flick Drummond (Meon Valley) (Con)	Stuart Andrew
James Duddridge (Rochford and Southend East) (Con)	Stuart Andrew
Rosie Duffield (Canterbury) (Lab)	Chris Elmore
Philip Dunne (Ludlow) (Con)	Stuart Andrew
Ms Angela Eagle (Wallasey) (Lab)	Chris Elmore
Maria Eagle (Garston and Halewood) (Lab)	Chris Elmore
Mark Eastwood (Dewsbury) (Con)	Stuart Andrew
Ruth Edwards (Rushcliffe) (Con)	Stuart Andrew
Julie Elliott (Sunderland Central) (Lab)	Chris Elmore
Michael Ellis (Northampton North) (Con)	Stuart Andrew
Mrs Natalie Elphicke (Dover) (Con)	Stuart Andrew
Florence Eshalomi (Vauxhall) (Lab/Co-op)	Chris Elmore
Bill Esterson (Sefton Central) (Lab)	Chris Elmore
George Eustice (Camborne and Redruth) (Con)	Stuart Andrew
Dr Luke Evans (Bosworth) (Con)	Stuart Andrew
Sir David Evennett (Bexleyheath and Crayford) (Con)	Stuart Andrew
Michael Fabricant (Lichfield) (Con)	Stuart Andrew
Laura Farris (Newbury) (Con)	Stuart Andrew
Stephen Farry (North Down) (Alliance)	Wendy Chamberlain
Marion Fellows (Motherwell and Wishaw) (SNP)	Patrick Grady
Margaret Ferrier (Rutherglen and Hamilton West) (Ind)	Jonathan Edwards
Katherine Fletcher (South Ribble) (Con)	Stuart Andrew
Stephen Flynn (Aberdeen South) (SNP)	Patrick Grady
Vicky Ford (Chelmsford) (Con)	Stuart Andrew
Kevin Foster (Torbay) (Con)	Stuart Andrew
Yvonne Fovargue (Makerfield) (Lab)	Chris Elmore
Dr Liam Fox (North Somerset) (Con)	Stuart Andrew
Vicky Foxcroft (Lewisham, Deptford) (Lab)	Chris Elmore
Mary Kelly Foy (City of Durham) (Lab)	Bell Ribeiro-Addy
Mr Mark Francois (Rayleigh and Wickford) (Con)	Stuart Andrew
Lucy Frazer (South East Cambridgeshire) (Con)	Stuart Andrew
George Freeman (Mid Norfolk) (Con)	Bim Afolami
Marcus Fysh (Yeovil) (Con)	Stuart Andrew
Sir Roger Gale (North Thanet) (Con)	Stuart Andrew
Mark Garnier (Wyre Forest) (Con)	Stuart Andrew
Ms Nusrat Ghani (Wealden) (Con)	Stuart Andrew
Nick Gibb (Bognor Regis and Littlehampton) (Con)	Stuart Andrew
Patricia Gibson (North Ayrshire and Arran) (SNP)	Patrick Grady
Jo Gideon (Stoke-on-Trent Central) (Con)	Stuart Andrew

Member eligible for proxy vote	Nominated proxy
Preet Kaur Gill (Birmingham, Edgbaston) (Lab/Co-op)	Chris Elmore
Dame Cheryl Gillan (Chesham and Amersham) (Con)	Stuart Andrew
John Glen (Salisbury) (Con)	Stuart Andrew
Mary Glindon (North Tyneside) (Lab)	Chris Elmore
Mr Robert Goodwill (Scarborough and Whitby) (Con)	Stuart Andrew
Michael Gove (Surrey Heath) (Con)	Stuart Andrew
Mrs Helen Grant (Maidstone and The Weald) (Con)	Stuart Andrew
Peter Grant (Glenrothes) (SNP)	Patrick Grady
Neil Gray (Airdrie and Shotts) (SNP)	Patrick Grady
Chris Grayling (Epsom and Ewell) (Con)	Stuart Andrew
Damian Green (Ashford) (Con)	Stuart Andrew
Kate Green (Stretford and Urmston) (Lab)	Chris Elmore
Lilian Greenwood (Nottingham South) (Lab)	Chris Elmore
Margaret Greenwood (Wirral West) (Lab)	Chris Elmore
Andrew Griffith (Arundel and South Downs) (Con)	Stuart Andrew
Jonathan Gullis (Stoke-on-Trent North) (Con)	Stuart Andrew
Andrew Gwynne (Denton and Reddish) (Lab)	Chris Elmore
Robert Halfon (Harlow) (Con)	Rebecca Harris
Luke Hall (Thornbury and Yate) (Con)	Stuart Andrew
Fabian Hamilton (Leeds North East) (Lab)	Chris Elmore
Stephen Hammond (Wimbledon) (Con)	Stuart Andrew
Matt Hancock (West Suffolk) (Con)	Stuart Andrew
Greg Hands (Chelsea and Fulham) (Con)	Stuart Andrew
Claire Hanna (Belfast South) (SDLP)	Ben Lake
Neale Hanvey (Kirkcaldy and Cowdenbeath) (SNP)	Patrick Grady
Emma Hardy (Kingston upon Hull West and Hessle) (Lab)	Chris Elmore
Ms Harriet Harman (Camberwell and Peckham) (Lab)	Chris Elmore
Simon Hart (Carmarthen West and South Pembrokeshire) (Con)	Stuart Andrew
Sir John Hayes (South Holland and The Deepings) (Con)	Stuart Andrew
Sir Oliver Heald (North East Hertfordshire) (Con)	Stuart Andrew
James Heappey (Wells) (Con)	Stuart Andrew
Chris Heaton-Harris (Daventry) (Con)	Stuart Andrew
Gordon Henderson (Sittingbourne and Sheppey) (Con)	Stuart Andrew
Sir Mark Hendrick (Preston) (Lab/Co-op)	Chris Elmore
Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP)	Patrick Grady
Mike Hill (Hartlepool) (Lab)	Chris Elmore
Damian Hinds (East Hampshire) (Con)	Stuart Andrew
Simon Hoare (North Dorset) (Con)	Stuart Andrew
Wera Hobhouse (Bath) (LD)	Wendy Chamberlain
Dame Margaret Hodge (Barking) (Lab)	Chris Elmore
Mrs Sharon Hodgson (Washington and Sunderland West) (Lab)	Chris Elmore
Kate Hollern (Blackburn) (Lab)	Chris Elmore
Adam Holloway (Gravesham) (Con)	Maria Caulfield
Sir George Howarth (Knowsley) (Lab)	Chris Elmore
John Howell (Henley) (Con)	Stuart Andrew
Paul Howell (Sedgefield) (Con)	Stuart Andrew
Nigel Huddleston (Mid Worcestershire) (Con)	Stuart Andrew
Dr Neil Hudson (Penrith and The Border) (Con)	Stuart Andrew
Jane Hunt (Loughborough) (Con)	Stuart Andrew
Jeremy Hunt (South West Surrey) (Con)	Stuart Andrew
Rupa Huq (Ealing Central and Acton) (Lab)	Chris Elmore
Imran Hussain (Bradford East) (Lab)	Bell Ribeiro-Addy
Mr Alister Jack (Dumfries and Galloway) (Con)	Stuart Andrew
Christine Jardine (Edinburgh West) (LD)	Wendy Chamberlain
Dan Jarvis (Barnsley Central) (Lab)	Chris Elmore
Mr Ranil Jayawardena (North East Hampshire) (Con)	Stuart Andrew
Mark Jenkinson (Workington) (Con)	Stuart Andrew
Andrea Jenkyns (Morley and Outwood) (Con)	Stuart Andrew
Robert Jenrick (Newark) (Con)	Stuart Andrew
Dr Caroline Johnson (Sleaford and North Hykeham) (Con)	Stuart Andrew
Dame Diana Johnson (Kingston upon Hull North) (Lab)	Chris Elmore
Gareth Johnson (Dartford) (Con)	Stuart Andrew
Darren Jones (Bristol North West) (Lab)	Chris Elmore
Fay Jones (Brecon and Radnorshire((Con)	Stuart Andrew
Gerald Jones (Merthyr Tydfil and Rhymney) (Lab)	Chris Elmore
Mr Marcus Jones (Nuneaton) (Con)	Stuart Andrew
Ruth Jones (Newport West) (Lab)	Chris Elmore
Sarah Jones (Croydon Central) (Lab)	Chris Elmore
Mike Kane (Wythenshawe and Sale East) (Lab)	Chris Elmore
Daniel Kawczynski (Shrewsbury and Atcham) (Con)	Stuart Andrew
Alicia Kearns (Rutland and Melton) (Con)	Stuart Andrew
Gillian Keegan (Chichester) (Con)	Stuart Andrew
Barbara Keeley (Worsley and Eccles South) (Lab)	Chris Elmore
Liz Kendall (Leicester West) (Lab)	Chris Elmore
Afzal Khan (Manchester, Gorton) (Lab)	Chris Elmore
Sir Greg Knight (East Yorkshire) (Con)	Stuart Andrew
Julian Knight (Solihull) (Con)	Stuart Andrew
Kwasi Kwarteng (Spelthorne) (Con)	Stuart Andrew
Peter Kyle (Hove) (Lab)	Chris Elmore
Mr David Lammy (Tottenham) (Lab)	Chris Elmore
John Lamont (Berwickshire, Roxburgh and Selkirk) (Con)	Stuart Andrew
Mrs Pauline Latham (Mid Derbyshire) (Con)	Mr William Wragg

Member eligible for proxy vote	Nominated proxy
Ian Lavery (Wansbeck) (Lab)	Bell Ribeiro-Addy
Chris Law (Dundee West) (SNP)	Patrick Grady
Andrea Leadsom (South Northamptonshire) (Con)	Stuart Andrew
Sir Edward Leigh (Gainsborough) (Con)	Stuart Andrew
Ian Levy (Blyth Valley) (Con)	Stuart Andrew
Andrew Lewer (Northampton South) (Con)	Stuart Andrew
Brandon Lewis (Great Yarmouth) (Con)	Stuart Andrew
Dr Julian Lewis (New Forest East) (Ind)	Stuart Andrew
Clive Lewis (Norwich South) (Lab)	Chris Elmore
Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con)	Stuart Andrew
Tony Lloyd (Rochdale) (Lab)	Chris Elmore
Carla Lockhart (Upper Bann) (DUP)	Sir Jeffrey Donaldson
Chris Loder (West Dorset) (Con)	Robbie Moore
Mark Logan (Bolton North East) (Con)	Stuart Andrew
Rebecca Long Bailey (Salford and Eccles) (Lab)	Bell Ribeiro-Addy
Marco Longhi (Dudley North) (Con)	Stuart Andrew
Julia Lopez (Hornchurch and Upminster) (Con)	Stuart Andrew
Jack Lopresti (Filton and Bradley Stoke) (Con)	Stuart Andrew
Mr Jonathan Lord (Woking) (Con)	Stuart Andrew
Caroline Lucas (Brighton, Pavilion) (Green)	Bell Ribeiro-Addy
Holly Lynch (Halifax) (Lab)	Chris Elmore
Kenny MacAskill (East Lothian) (SNP)	Patrick Grady
Kerry McCarthy (Bristol East) (Lab)	Chris Elmore
Karl McCartney (Lincoln) (Con)	Stuart Andrew
Andy McDonald (Middlesbrough) (Lab)	Chris Elmore
Stewart Malcolm McDonald (Glasgow South) (SNP)	Patrick Grady
Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP)	Patrick Grady
John McDonnell (Hayes and Harlington) (Lab)	Bell Ribeiro-Addy
Mr Pat McFadden (Wolverhampton South East) (Lab)	Chris Elmore
Conor McGinn (St Helens North) (Lab)	Chris Elmore
Alison McGovern (Wirral South) (Lab)	Chris Elmore
Craig Mackinlay (South Thanet) (Con)	Stuart Andrew
Catherine McKinnell (Newcastle upon Tyne North) (Lab)	Chris Elmore
Cherilyn Mackrory (Truro and Falmouth) (Con)	Stuart Andrew
Anne McLaughlin (Glasgow North East) (SNP)	Patrick Grady
Rachel Maclean (Redditch) (Con)	Stuart Andrew
Jim McMahon (Oldham West and Royton) (Lab)	Chris Elmore
Anna McMorrin (Cardiff North) (Lab)	Chris Elmore
John Mc Nally (Falkirk) (SNP)	Patrick Grady
Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP)	Patrick Grady
Stephen McPartland (Stevenage) (Con)	Stuart Andrew
Khalid Mahmood (Birmingham, Perry Barr) (Lab)	Chris Elmore
Shabana Mahmood (Birmingham, Ladywood) (Lab)	Chris Elmore
Alan Mak (Havant) (Con)	Stuart Andrew
Kit Malthouse (North West Hampshire) (Con)	Stuart Andrew
Julie Marson (Hertford and Stortford) (Con)	Stuart Andrew
Rachael Maskell (York Central) (Lab)	Chris Elmore
Mrs Theresa May (Maidenhead) (Con)	Stuart Andrew
Ian Mearns (Gateshead) (Lab)	Bell Ribeiro-Addy
Mark Menzies (Fylde) (Con)	Stuart Andrew
Johnny Mercer (Plymouth, Moor View) (Con)	Stuart Andrew
Huw Merriman (Bexhill and Battle) (Con)	Stuart Andrew
Stephen Metcalfe (South Basildon and East Thurrock) (Con)	Stuart Andrew
Edward Miliband (Doncaster North) (Lab)	Chris Elmore
Mrs Maria Miller (Basingstoke) (Con)	Stuart Andrew
Amanda Milling (Cannock Chase) (Con)	Stuart Andrew
Nigel Mills (Amber Valley) (Con)	Stuart Andrew
Navendu Mishra (Stockport) (Lab)	Kim Johnson
Mr Andrew Mitchell (Sutton Coldfield) (Con)	Stuart Andrew
Carol Monaghan (Glasgow North West)	Patrick Grady
Layla Moran (Oxford West and Abingdon) (LD)	Wendy Chamberlain
Penny Mordaunt (Portsmouth North) (Con)	Mark Spencer
Anne Marie Morris (Newton Abbot) (Con)	Stuart Andrew
David Morris (Morecambe and Lunesdale) (Con)	Stuart Andrew
Grahame Morris (Easington) (Lab)	Chris Elmore
Joy Morrissey (Beaconsfield) (Con)	Stuart Andrew
Wendy Morton (Aldridge-Brownhills) (Con)	Stuart Andrew
Dr Kieran Mullan (Crewe and Nantwich) (Con)	Tom Hunt
Holly Mumby-Croft (Scunthorpe) (Con)	Stuart Andrew
David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con)	Stuart Andrew
Ian Murray (Edinburgh South) (Lab)	Chris Elmore
James Murray (Ealing North) (Lab/Co-op)	Chris Elmore
Mrs Sheryll Murray (South East Cornwall) (Con)	Stuart Andrew
Andrew Murrison (South West Wiltshire) (Con)	Stuart Andrew
Lisa Nandy (Wigan) (Lab)	Chris Elmore
Sir Robert Neill (Bromley and Chislehurst) (Con)	Stuart Andrew
Gavin Newlands (Paisley and Renfrewshire North) (SNP)	Patrick Grady
Lia Nici (Great Grimsby) (Con)	Stuart Andrew
John Nicolson (Ochil and South Perthshire) (SNP)	Patrick Grady

Member eligible for proxy vote	Nominated proxy
Caroline Nokes (Romsey and Southampton North) (Con)	Stuart Andrew
Jesse Norman (Hereford and South Herefordshire) (Con)	Stuart Andrew
Neil O'Brien (Harborough) (Con)	Stuart Andrew
Brendan O'Hara (Argyll and Bute) (SNP)	Patrick Grady
Dr Matthew Offord (Hendon) (Con)	Rebecca Harris
Guy Opperman (Hexham) (Con)	Stuart Andrew
Abena Oppong-Asare (Erith and Thamesmead) (Lab)	Chris Elmore
Kate Osamor (Edmonton) (Lab/Co-op)	Rachel Hopkins
Kate Osborne (Jarrow) (Lab)	Bell Ribeiro-Addy
Kirsten Oswald (East Renfrewshire) (SNP)	Patrick Grady
Taiwo Owatemi (Coventry North West) (Lab)	Chris Elmore
Sarah Owen (Luton North) (Lab)	Chris Elmore
Ian Paisley (North Antrim) (DUP)	Paul Girvan
Mr Owen Paterson (North Shropshire) (Con)	Stuart Andrew
Sir Mike Penning (Hemel Hempstead) (Con)	Stuart Andrew
John Penrose (Weston-super-Mare) (Con)	Stuart Andrew
Andrew Percy (Brigg and Goole) (Con)	Stuart Andrew
Jess Phillips (Birmingham, Yardley) (Lab)	Chris Elmore
Chris Philp (Croydon South) (Con)	Stuart Andrew
Dr Dan Poulter (Central Suffolk and North Ipswich) (Con)	Stuart Andrew
Rebecca Pow (Taunton Deane) (Con)	Stuart Andrew
Lucy Powell (Manchester Central) (Lab/Co-op)	Chris Elmore
Victoria Prentis (Banbury) (Con)	Stuart Andrew
Mark Pritchard (The Wrekin) (Con)	Stuart Andrew
Jeremy Quin (Horsham) (Con)	Stuart Andrew
Will Quince (Colchester) (Con)	Stuart Andrew
Yasmin Qureshi (Bolton South East) (Lab)	Chris Elmore
Dominic Raab (Esher and Walton) (Con)	Stuart Andrew
Angela Rayner (Ashton-under-Lyne) (Lab)	Chris Elmore
Steve Reed (Croydon North) (Lab/Co-op)	Chris Elmore
Christina Rees (Neath) (Lab)	Chris Elmore
Ellie Reeves (Lewisham West and Penge) (Lab)	Chris Elmore
Rachel Reeves (Leeds West) (Lab)	Chris Elmore
Nicola Richards (West Bromwich East) (Con)	Stuart Andrew
Ms Marie Rimmer (St Helens South and Whiston) (Lab)	Chris Elmore
Rob Roberts (Delyn) (Con)	Stuart Andrew
Mr Laurence Robertson (Tewkesbury) (Con)	Stuart Andrew
Mary Robinson (Cheadle) (Con)	Stuart Andrew
Matt Rodda (Reading East) (Lab)	Chris Elmore
Andrew Rosindell (Romford) (Con)	Rebecca Harris
Douglas Ross (Moray) (Con)	Stuart Andrew
Dean Russell (Watford) (Con)	Stuart Andrew
Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op)	Chris Elmore
Gary Sambrook (Birmingham, Northfield) (Lab)	Stuart Andrew
Selaine Saxby (North Devon) (Con)	Stuart Andrew
Paul Scully (Sutton and Cheam) (Con)	Stuart Andrew
Bob Seely (Isle of Wight) (Con)	Stuart Andrew
Andrew Selous (South West Bedfordshire) (Con)	Rebecca Harris
Naz Shah (Bradford West) (Lab)	Chris Elmore
Grant Shapps (Welwyn Hatfield) (Con)	Stuart Andrew
Alok Sharma (Reading West) (Con)	Stuart Andrew
Mr Virendra Sharma (Ealing, Southall) (Lab)	Chris Elmore
Mr Barry Sheerman (Huddersfield) (Lab/Co-op)	Chris Elmore
Alec Shelbrooke (Elmet and Rothwell) (Con)	Stuart Andrew
Tommy Sheppard (Edinburgh East) (SNP)	Patrick Grady
Tulip Siddiq (Hampstead and Kilburn) (Lab)	Chris Elmore
David Simmonds (Ruislip, Northwood and Pinner) (Con)	Stuart Andrew
Chris Skidmore (Kingswood) (Con)	Stuart Andrew
Andy Slaughter (Hammersmith) (Lab)	Chris Elmore
Alyn Smith (Stirling) (SNP)	Patrick Grady
Chloe Smith (Norwich North) (Con)	Stuart Andrew
Henry Smith (Crawley) (Con)	Stuart Andrew
Nick Smith (Blaenau Gwent) (Lab)	Chris Elmore
Royston Smith (Southampton, Itchen) (Con)	Stuart Andrew
Karin Smyth (Bristol South) (Lab)	Chris Elmore
Amanda Solloway (Derby North) (Con)	Stuart Andrew
Alexander Stafford (Rother Valley) (Con)	Stuart Andrew
Chris Stephens (Glasgow South West) (SNP)	Patrick Grady
Andrew Stephenson (Pendle) (Con)	Stuart Andrew
Jo Stevens (Cardiff Central) (Lab)	Chris Elmore
Jane Stevenson (Wolverhampton North East) (Con)	Stuart Andrew
Bob Stewart (Beckenham) (Con)	Stuart Andrew
Iain Stewart (Milton Keynes South) (Con)	Stuart Andrew
Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)	Wendy Chamberlain
Sir Gary Streeter (South West Devon) (Con)	Stuart Andrew
Wes Streeting (Ilford North) (Lab)	Chris Elmore
Mel Stride (Central Devon) (Con)	Stuart Andrew
Graham Stuart (Beverley and Holderness) (Con)	Stuart Andrew
Julian Sturdy (York Outer) (Con)	Stuart Andrew
Zarah Sultana (Coventry South) (Lab)	Bell Ribeiro-Addy
Sam Tarry (Ilford South) (Lab)	Chris Elmore
Alison Thewliss (Glasgow Central) (SNP)	Patrick Grady
Derek Thomas (St Ives) (Con)	Stuart Andrew
Gareth Thomas (Harrow West) (Lab/Co-op)	Chris Elmore

Member eligible for proxy vote	Nominated proxy
Emily Thornberry (Islington South and Finsbury) (Lab)	Chris Elmore
Edward Timpson (Eddisbury) (Con)	Stuart Andrew
Kelly Tolhurst (Rochester and Strood) (Con)	Stuart Andrew
Justin Tomlinson (North Swindon) (Con)	Stuart Andrew
Craig Tracey (North Warwickshire) (Con)	Stuart Andrew
Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con)	Stuart Andrew
Jon Trickett (Hemsworth) (Lab)	Bell Ribeiro-Addy
Laura Trott (Sevenoaks) (Con)	Stuart Andrew
Elizabeth Truss (South West Norfolk) (Con)	Stuart Andrew
Karl Turner (Kingston upon Hull East) (Lab)	Chris Elmore
Mr Shailesh Vara (North West Cambridgeshire) (Con)	Stuart Andrew
Martin Vickers (Cleethorpes) (Con)	Stuart Andrew
Matt Vickers (Stockton South) (Con)	Tom Hunt
Mr Robin Walker (Worcester) (Con)	Stuart Andrew
Mr Ben Wallace (Wyre and Preston North)	Stuart Andrew
Dr Jamie Wallis (Bridgend) (Con)	Stuart Andrew
David Warburton (Somerton and Frome) (Con)	Stuart Andrew
Matt Warman (Boston and Skegness) (Con)	Stuart Andrew
Suzanne Webb (Stourbridge) (Con)	Stuart Andrew
Claudia Webbe (Leicester East) (Ind)	Bell Ribeiro-Addy
Catherine West (Hornsey and Wood Green) (Lab)	Chris Elmore
Helen Whately (Faversham and Mid Kent) (Con)	Stuart Andrew
Mrs Heather Wheeler (South Derbyshire) (Con)	Stuart Andrew
Dr Philippa Whitford (Central Ayrshire) (SNP)	Patrick Grady
Craig Whittaker (Calder Valley) (Con)	Stuart Andrew
John Whittingdale (Malden) (Con)	Stuart Andrew
Nadia Whittome (Nottingham East) (Lab)	Chris Elmore
Craig Williams (Montgomeryshire) (Con)	Stuart Andrew
Hywel Williams (Arfon) (PC)	Ben Lake
Gavin Williamson (Montgomeryshire) (Con)	Stuart Andrew
Munira Wilson (Twickenham) (LD)	Wendy Chamberlain
Beth Winter (Cynon Valley) (Lab)	Rachel Hopkins
Pete Wishart (Perth and North Perthshire) (SNP)	Patrick Grady
Mike Wood (Dudley South) (Con)	Stuart Andrew
Mohammad Yasin (Bedford) (Lab)	Chris Elmore
Jacob Young (Redcar) (Con)	Stuart Andrew
Nadhim Zahawi (Stratford-on-Avon) (Con)	Stuart Andrew

Westminster Hall

Tuesday 17 November 2020

[Sir Christopher Chope *in the Chair*]

Covid-19: Employment Rights

9.30 am

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I beg to move,

That this House has considered the covid-19 outbreak and employment rights.

It is fair to say that the pandemic has stress-tested a great many things across our civic, political and private lives. Day in, day out, jobs are being cut in many sectors across our economy. The jobs market is no exception, and neither, sadly, are employment rights. For far too many people an employment contract offers zero protection and has been rendered worthless, but despite some warm words the Government have not lifted a finger to help.

My interest in fire and rehire stems from my duty as a constituency MP for Glasgow airport, from my role as a transport spokesman and from my membership of the Transport Committee. Firing and rehiring emanates from the aviation sector, and in particular from British Airways. Among our first witnesses when the Committee looked at the impact of covid-19 on transport was Willie Walsh, the then chief executive of International Airlines Group, which owns British Airways. The company had just announced huge job losses—roughly 12,000 from a workforce of 42,000 were to be cut, while the reward, if that word can be used, for those who attempted to remain was a threat that they would be fired and rehired on reduced terms and conditions. For some, the reductions in net take-home pay were simply savage, with cuts of 40%, 50% or 60% not uncommon.

The workforce were understandably traumatised. I received hundreds upon hundreds of emails from British Airways staff. I spoke to cabin crew in tears at the treatment meted out by Mr Walsh and his willing deputy, Mr Cruz, and other BA management. It seems that Mr Walsh tried to make some of these changes a decade or so previously but failed; the pandemic has seemingly given him perfect cover to try again. I could not believe that that was legal. Perhaps naively, I thought that a contract and the law governing it would offer an employee and employer equal protection. Of course, we now see that there is no equality of arms whatsoever.

Following Mr Walsh's appearance before the Committee, which it would be fair to say was not overflowing with modesty or contrition, further examples of firing and rehiring being deployed against thousands of workers came to light. That should not have come as a surprise to the Government. We and many other Members across the House had warned that without Government action other companies would follow in BA's footsteps. Centrica British Gas has threatened over 20,000 employees with termination if they do not sign up to new, inferior contracts. Menzies Aviation, a ground handler at many UK airports, including Glasgow, assured me personally that it would not follow the British Airways lead but then copied and pasted its tactics for its own use. Heathrow, which other Members might touch on, is doing the same to its workforce. Unsurprisingly, many have voted for industrial action.

We should be crystal clear about what is happening and has happened. It is reprehensible to treat workers like this. It is counter-productive, self-destructive and flies in the face of what we in society should be willing to accept. In the words of a former Conservative Member, it is the "unacceptable face of capitalism." Tory Ministers, including the Chief Secretary to the Treasury, have been queueing up to slate firing and rehiring, not least the Minister himself, who said last week:

"The very threat of fire and rehire is totally unacceptable".—[*Official Report*, 10 November 2020; Vol. 683, c. 718.]

He slightly blotted his copybook just two minutes later, when he seemed to boast about the UK's flexible labour markets and how easy it is to hire and indeed to fire workers. On that latter comment, I hope that he misspoke or that that was not what he intended, but that is how it came across to many people. The Minister and I met to discuss my fire and rehire Bill, which would outlaw the practice. He said that while the Government could not support the Bill he remained open to looking at further protections for workers in this area. Perhaps the change in management at No. 10 will allow a new and more collegiate approach on this issue. I know that it is a policy that many of the Minister's colleagues are not pleased with. When he responds, will he say that he will work with me to strengthen workers' protections in this area – perhaps in the Government's Employment Bill? If he wishes to confirm it now, I would be happy to take an intervention, but if he will do so in his summing-up that would be good.

No one denies the unprecedented challenges facing business across the country. Aviation in particular has seen its business model receive its biggest shock since the war. There will be a debate on the issue tomorrow, so I will not go into detail, but as an example, Glasgow airport in my constituency has seen passenger numbers drop year on year by 83%, while some regional airports in England have seen drops of more than 90%. No serious person can argue that this is not a huge hit to an industry that has secured hundreds of thousands of jobs around these isles. The way to meet those challenges is by acting responsibly and being open with staff and trade unions about what the future might hold. In recent months, I have spoken to dozens of union reps, mostly from aviation but many from other industries too, and it is crystal clear that they recognise the position their employers are in. They know that change has to be on the table if their industry is to have a sustainable future. They are not reactionaries who want business and commerce preserved in aspic. They want their members and workers to be treated with respect, dignity and as partners as management come up with plans for the months and years ahead. A temporary problem, albeit for a more prolonged period than we would like, requires temporary solutions. Other airlines have managed to make such agreements with their work force. Threatening staff with the sack is not respectful, is undignified and is certainly not partnership.

I know that many Government Members—perhaps not the Minister—do not like to do so, but we should look at Europe. Partnership working is the norm, not the exception. The idea of management and workers

[Gavin Newlands]

coming together to plan a way forward, with the former working with rather than against the latter, is not some kind of socialist utopia. It is the stuff of advanced economies right across the continent—economies that are in most cases more advanced, wealthier and fairer than ours. That is not a coincidence. There is cross-party support for banning firing and rehiring. Members from every party in the House co-sponsored my Bill and I know that many Government Members are quietly supportive of the principles of the Bill.

Moving on from firing and rehiring, I welcomed furlough when the Chancellor announced it in March and I welcome its extension until next March, although the way in which that extension was announced and the way in which repeated calls for extension were flat-out ignored until the last minute—in fact, after the last minute—were sadly typical of the way the UK Government have handled employment and the economy over the past months. The U-turn has come far too late for thousands of workers made redundant after months of delays and uncertainty. Many good businesses have gone under and millions have been excluded completely. It is clearly still a system with many flaws, not least of which is the power it gives employers over workers, especially when those workers are worried for their jobs and livelihoods.

There is no appeal. An employee is entirely at the mercy and discretion of their employer as to whether to go on furlough or not. That is a lopsided arrangement. An employer can simply say that it is not worth the paperwork, terminate a worker's contract and leave them to the pittance provided by the benefits system rather than furlough at 80%. The employee has zero rights under law to challenge, appeal or ask a third party to intervene.

Similarly, as we have seen in my constituency, where over 70 people have received no furlough payments due to flaws in the application process, there is no appeal to HMRC for any discretion. Over 70 households, instead of having access to furlough over the past eight months, have had to resort to food banks and the kindness of neighbours to get by, all because their employer was bought over and the change was not recorded by HMRC until one day after an entirely arbitrary furlough deadline was imposed retrospectively.

Returning to the aviation and travel sector and permanent part-year contracts that contain a provision to extend hours through the winter, I have been made aware that TUI is refusing to claim furlough payments for more than 500 permanent part-year employees on the basis that they are not extending the contracts this year due to lack of demand. However, the scheme has provision to claim for such employees, based on the amount earned in the same month last year or an average of monthly earnings for the tax year 2019-20. I hope that the Minister will join me in asking TUI and anyone else planning something similar to think again and to do the right thing. No one is asking for the furlough scheme to be a free-for-all, but it cannot be beyond the wit and imagination of the Treasury to come up with a system that gives some rights and power to the employee, rather than putting every single furlough egg in the employer's basket and leaving workers with no recourse except to beg their bosses for some relief.

I welcome the Government's introduction of bereavement leave for the parents of a deceased child. It is a decent and humane policy, and it deserves recognition. Now it is time to look at bereavement leave across the board and to give workers a right to paid time off at a time of grief and personal loss. That seems particularly pertinent when many have unfortunately lost a loved one to covid-19. It is a policy that would undoubtedly cost in the short term but could very well save money. Sue Ryder states that losing someone can have serious consequences not only for mental and physical health; it also costs the UK economy an estimated £23 billion a year due to presenteeism, absenteeism and reduced employment.

We have a situation whereby the UK's sick pay system is, by a long way, the worst in western Europe. It is a system that has been shameful for years but is now being exposed as completely out of step with every single one of our neighbours and allies in Europe. Two years ago, the Council of Europe's European Committee of Social Rights called the UK's SSP system "manifestly inadequate". In a sane world, that should have set off some kind of alarm in Whitehall, but here we are in the middle of a pandemic, asking people to self-isolate for the greater good yet providing a system of support that is manifestly inadequate.

Our nearest neighbours recognised the scale of the challenge right at the beginning of the pandemic. Ireland's enhanced illness payment provides €350 a week to anyone who tests positive or has to self-isolate. Up to 10 weeks of payments can be made to people who have tested positive. It has ensured high compliance with self-isolation and helped provide some financial security for households who would receive a pittance if they lived in the UK.

There is no practical reason why the UK is so far behind our nearest neighbours; it is simply a matter of political choice and ideology. I know the Chancellor and his social media team are busy building the Rishi brand, and he would like to paint a picture of himself as the saviour of the economy, right down to delivering discounted katsu curries to diners' tables. However, his signature is strangely are missing from a pledge to keep sick pay the lowest in Europe. His lack of photo ops to promote the UK's position near the bottom of the league table perhaps says a lot about how well such boasts would go down with voters.

Citizens Advice tells me that the current employment rights enforcement system is not up to task for dealing with the challenges exposed by the pandemic. Employees who have been unfairly treated have very few options for redress. For many people affected by the redundancy crisis, employment tribunals are the only place they can turn to in order to protect their rights and seek a fair outcome. There are currently six bodies that enforce employment rights in various ways: Her Majesty's Revenue and Customs, the Gangmasters and Labour Abuse Authority, the Employment Agency Standards Inspectorate, the Health and Safety Executive, local authorities and the Equality and Human Rights Commission. The situation is messy and piecemeal. Along with Citizens Advice Scotland and others, I welcome the proposal to set up a single enforcement body for employment rights. Can the Minister tell us when it will finally be introduced? Will it be included in the Employment Bill, and can he give us a timescale for that Bill?

My final point is brief and to the point. Surely the most basic of employment rights ought to be receiving a fair day's wages for a fair day's work. The UK Government's national minimum wage, or the so-called living wage, is not a real living wage; it does not meet the minimum income needed for an acceptable living standard. The different rates of the living wage for young people are wholly unjust and discriminatory, and they do not take account of young people's needs, responsibilities and living costs. The Chancellor could and should do what is right by increasing the statutory minimum wage and ending the age discrimination within it.

Rebuilding the economy after covid will become the biggest challenge that our society faces once the virus is under control. Workers must be part of that rebuilding and not treated as serfs. They and their families should not be threatened with financial disaster if they do not accept attacks on their pay and conditions. Enhanced employment rights are not just the right thing to do morally; they are the right thing to do economically. They ensure that workers have greater security, and therefore encourage spending within the economy, providing vital income and custom for our retail and service sectors.

The impact of covid has highlighted the fragility of many people's working conditions—the fact that their family's future hangs by a thread, which can be cut at a moment's notice whenever management decides. That has to stop, and a much more equitable balance between employer and employee must be found as soon as possible, for the good of everyone on these islands.

9.45 am

Mick Whitley (Birkenhead) (Lab): It is a privilege to serve under your chairmanship, Sir Christopher. I thank the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) for securing this debate. I should first declare an interest. Many Members will know by now that I am a lifelong trade unionist and former regional secretary of Unite the Union. My experience in the labour movement spurred me to stand for Parliament, so I warmly welcome the opportunity to contribute to this important debate.

The British public have been asked to make enormous sacrifices to win the war on covid-19. Livelihoods have been lost, businesses forced to close and families separated. At the same time, people have come together in a newly found spirit of solidarity and community-mindedness. Across my constituency of Birkenhead, people have given up valuable time to produce and distribute personal protective equipment, deliver food parcels and look after the most vulnerable and isolated. They understand that we are all in this together but, for some, that message has fallen on deaf ears. Instead of playing their part, several large companies have cynically exploited the public health crisis to slash pay and attack working conditions. Despite receiving millions in taxpayers' money, companies such as British Airways and Sainsbury's continue to lay off vast swathes of their workforce. Such attacks have shone a spotlight on the many limitations placed on trade unions to hamper their ability to act in support of their members.

Employment rights in the UK are among the worst in western Europe. Our employment laws are the most draconian of any western democracy with the exception of the United States. Over the past 40 years, successive Conservative Governments have introduced restrictions on the right to strike, to picket, to belong to a trade union, to access industrial tribunals, and more besides. Each piece of legislation has eroded the ability of the unions to act effectively. As the Trades Union Congress has highlighted, the Trade Union Act 2016 represented the most serious attack on the rights of trade unions and their members in a generation, yet the crisis has shown how vital it is to have a strong labour movement. With unemployment spiralling out of control and covid-19 hitting frontline workers hardest, trade unions have leapt to the defence of their members.

Shop stewards have fought hard to keep their members safe in the workplace. Members have gone on strike to defend highly skilled, dignified work at sites such as Rolls-Royce, Barnoldswick. The trade union movement played a pivotal role in the introduction of the furlough scheme in March, as well as securing its extension last month, but too many employers regard the unions, to quote a former Prime Minister, as the "enemy within". The scandalous practice of fire and rehire is a glaring example of why we need to overhaul the employment laws system. The Government must now acknowledge the central role that the trade unions have to play in forging Britain's economic recovery. The Government have already withdrawn their knee-jerk reaction to banning socially distant picketing during strikes, but only as a result of a legal challenge by Unite the Union. Now they must follow that up. The Trade Union Act 2016 must go for a start, and a new charter must ensure that when bad employers use bad practices and mistreat their staff, the unions have the means and legal right to fight back.

9.48 am

Grahame Morris (Easington) (Lab): Thank you for calling me to speak in this debate, Sir Christopher. I also thank the hon. Member for Paisley and Renfrewshire North (Gavin Newlands), my colleague on the Transport Committee, for securing this important debate. It would be remiss of me not to remark on the fact that this is a well-attended debate with representatives from all political parties, apart from the Government party—apart from the Minister, who has to be here. I do not know whether that is a reflection of the importance that the governing party attach to employment rights, but it is a sad indictment.

I declare an interest. I have been a member of a trade union and the Labour party all my adult life, and I have the honour of chairing the Unite parliamentary group. I want to highlight cases of dreadful practices, but I also want to pay tribute to the thousands of employers who have gone out of their way to protect and reassure their employees at a time when they themselves often face unparalleled pressures, stress and uncertainty. However, it is regrettable that some rogue employers have sought to use the covid-19 crisis as an opportunity to force workers to sign up to wage cuts in inferior conditions under the threat of dismissal. While the practice of fire and rehire is not currently unlawful in and as itself, the way in which it seeks to capitalise on people's vulnerability, particularly at this time during the pandemic, is, in my opinion and in the opinion of most reasonable people, morally despicable and indefensible and cannot go unchallenged. It is noteworthy that these actions are outlawed in most other European countries. My belief, shared by many others, is that that should be the case here, too. I will return at the end of my speech to the

[Grahame Morris]

Minister's remarks in our previous debate, as referred to by the sponsor of the motion, the hon. Member for Paisley and Renfrewshire North.

I pay tribute to the excellent work of my union Unite in successfully arguing and mitigating many cases of employers attempting to utilise this terrible practice of fire and rehire. However, it has not always been possible to reach agreement, as was the case with the British Airways cargo workers based at Heathrow airport, where more than 850 Unite members have balloted and are set to strike in December over pay cuts of between 20% and 25% and threats to outsource the workforce.

At the same time, Unite the union has announced December strike action at Heathrow airport in protest at the loss of employment rights and wage cuts for not just baggage handlers but firefighters, engineers, campus security, baggage operations and operational and air-side workers. Unless the employer acts in a reasonable fashion, it will effectively close our major airport over the Christmas period.

Fire and rehire is not restricted to the aviation sector, although there are some terrible abuses in that sector. ESS, part of the multimillion-pound Compass group, has been branded Britain's most heartless employer by Unite, due to the manner in which it is treating staff working on Ministry of Defence bases. They are being forced to sign contracts making them hundreds of pounds a month worse off, with the threat of immediately losing their jobs.

Workers in our criminal justice system are being deprived of one of the most basic employment rights—the right to a safe workplace. Court staff are made to attend workplaces that the Public and Commercial Services Union insists are not covid-secure. The alarming number of outbreaks in the courts suggests that the union is correct. Perhaps this is a direct consequence of there being no assessment process agreed with the trade unions, or of the court service's refusal to publish individual site assessments and only making them available on request.

I am told that in prisons, some governors have tweaked their exceptional delivery models to permit classroom-based education, despite national guidance that says this must not happen while covid threat levels remain high. The University and College Union is seeking urgent clarification about this, as are its members, who are being made to continue with face-to-face teaching and attendance in person in our prisons, despite the new restrictions. Whether in courts or in prisons, a business as usual attitude from managers is putting loyal staff at unnecessary risk, which is quite simply unacceptable.

In conclusion, a business, a Government and, indeed, every organisation—even society itself—will be judged on how we get through this extremely difficult period. Only last week, the Minister said in the Chamber:

"The very threat of fire and rehire is totally unacceptable".—[*Official Report*, 10 November 2020; Vol. 683, c. 718.]

Will he commit today to outlawing this totally unacceptable practice once and for all?

9.54 am

Liz Twist (Blaydon) (Lab): It is an honour to serve under your chairmanship, Sir Christopher. I congratulate the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) on securing this important debate.

We live in extraordinary times under coronavirus. It has had a huge impact on all of us, and on our businesses and communities. Although we are talking about employment rights, I recognise that it has had a huge impact on businesses, and I have been working with them, doing what I can to support them through this time. However, some have been less than scrupulous.

Too many working people have seen the very real impact that the pandemic and the measures taken to combat the spread of the virus have had on their work, in many different ways. Like so many other hon. Members, my caseload has increased hugely as workers and their family members contact me to seek advice and guidance on the Government's measures, their employment situation and the effect on their family income.

The furlough scheme has helped, and I was glad to see the most recent announcements. However, for those on the lowest wages, the national minimum wage—who will get 80% of what we already consider to be the barest minimum that they should be paid and can live on—losing 20% of their income is no mean challenge. There is no reduction in their bills, housing costs and other expenses, so this is a real problem for them. Sometimes we underestimate the way in which so many people are living on the edge. They need all the money that they have to survive and do not have easy access to credit or to help from other sources.

I also want to mention those who do not even qualify for furlough or other payments—those who have fallen through the many cracks in the system, some of which we have already heard about. They may have changed jobs recently, may not have made it on to the HMRC records in time, or they may be self-employed. Speaking to these people in my constituency, I know of the devastation that they have felt—the excluded and the forgotten—as their income disappears and they discover the harsh reality of the universal credit system, although many do not even qualify for that.

Looking specifically at the issue of employment rights and the impact that the pandemic has had on working people, I will highlight some specific issues that I have come across in my constituency, as hon. Members will have in their own.

First, I want to talk about the fire and rehire situation, which many Members have already mentioned, and about joining Unite members at Newcastle business park to protest against British Airways' plans to reduce staff and to dramatically reduce terms and conditions of employment. Those people felt the fear of redundancy, the fear of less well paid jobs—the fear for their future.

This is not a new issue. As a trade union officer in a previous life, I have certainly come across this before, but we have seen it done in a way which cynically uses Government support and then treats staff so very badly. I support those many BA staff who work in the call centre in Newcastle, just across the river from my constituency, and at Newcastle airport and as cabin crew. I was amazed at how many BA employees contacted me. They appreciate the support, and their employer's approach makes them feel very hard done by.

BA is not the only employer that has treated its staff badly in this way. There is also the present issue with Centrica, or British Gas, where, hopefully, negotiations are now taking place. There must be better way than saying to staff, "If you don't like it, leave—take it or leave it". It is a crude form of industrial strategy—I was

going to say industrial relations, but I do not think "relations" is a good word for that—and we need to ensure that we end its use, as it has a devastating impact on people facing that situation.

On redundancies, in my constituency there is heavy reliance on the retail sector, which has been massively hit. Early in the pandemic I met workers employed by Debenhams at the Metrocentre, who had lost their jobs. More than 200 people had lost their jobs, and I believe that Debenhams was in administration so there was not the normal consultation. The shop was shut, and that was it. Many of the people who lost their jobs were women. Other redundancies have gone on in the background as well. Sometimes I hear about them and sometimes I do not, but there has been a real impact.

I want to talk a bit about pregnant workers. A number of women have contacted me because they are concerned about their position—their safety and welfare, and that of their unborn child. The Government have issued guidance, which has been supplemented by the TUC and the trade unions—which is welcome—to safeguard individuals. Not surprisingly, my constituents do not want to be named in the debate. They want to keep a low profile, but they want to see that they are protected. Guidance says that at 28 weeks teachers, for example, should be found alternative work rather than being in the classroom, or otherwise should be home on full pay. It sounds great, but on the ground, for that person in a school where there are other pressures, it is much more difficult to see that that is enforced.

Then there are problems with parents whose children are isolated because they have been sent home from school. That means that in many cases one parent must take the decision to take unpaid leave, if they are unlucky. Many of those people are on minimum wage. I am thinking of a constituent who is on minimum wage and cannot really afford that drop in income, but is not entitled to any isolation payments or anything of that kind. Someone in that position must stop work. Some may be entitled to statutory sick pay, but the existing measures just do not cut it for those people. They do not have enough support for their income. It is a real problem, and there is also the concern, "What happens if my child has to be off again in a few weeks?" There are difficult issues for people, and we need to make sure we can help them through what may be repeated bouts of isolation, to meet their bills and, indeed, hold down their jobs.

Last weekend I made the mistake of looking at my emails on a Saturday, as I suppose many people do. I had a flurry of emails on exactly those employment rights issues. Some were about furlough and how the constituent would be affected, where employers might have a Government grant. One was from some care workers who had come into contact with covid-19 and had to isolate. They are minimum-wage workers. They are not entitled to the isolation payments—they have checked that out—and they fear that it may happen again. We need to find a way for those people to be looked after, not just for their sakes but for all our sakes, because it will help to stop the spread of covid-19 if people can safely take time off without feeling that they will go under.

I want to talk about health and safety. Many workers are in difficult situations at work, because of things they are asked to do. *[Interruption.]* Yes, I shall be winding up now. I will mention specifically the retail sector campaign by the Union of Shop, Distributive and Allied Workers, Respect for Shopworkers Week. Shop workers have had to carry on working and have borne the brunt. In responses to USDAW's survey, 70% said abuse was worse than normal, 85% had faced verbal abuse, and 57% had been threatened by customers, with 9% even being assaulted. That is an impossible situation for people who are trying to keep things going for the rest of us. I hope that the Government will take steps to address all those issues.

Sir Christopher Chope (in the Chair): Before I call the next speaker, can I say that we will have the winding-up speeches at half-past 10? If each speaker takes four minutes, there will not be time for the last one.

10.4 am

Claudia Webbe (Leicester East) (Ind): Thank you, Sir Christopher, for that warning. It is a pleasure to serve under your chairmanship. I congratulate the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) on securing this important debate.

The unprecedented economic impact of the coronavirus has laid bare the weaknesses of UK labour protections. During the crisis, workers' rights and public health must be prioritised above all else. Yet the Government have allowed corporate giants, including those in receipt of taxpayer bailout funds, to use the pandemic as a cover for further exploiting their workforce.

Nowhere has this been more apparent than in Leicester. The severe exploitation in sections of our garment industry in Leicester have been laid bare and highlighted by a huge increase in casework received by me, a resurgence of reports, and the coronavirus. Her Majesty's Revenue and Customs reported that, over a six-year period, one quarter of all UK textile factories caught failing to pay the minimum wage were based in Leicester. With some textile factories offering less than £3.50 an hour, workers are forced to endure horrific and unsafe conditions. That is particularly shocking, but Leicester's garment industry is indicative of the abrupt decline in workers' rights and living standards since the neoliberal deindustrialisation revolution of the 1980s. The result has been the biggest squeeze on wages since the early 1800s, with pay for the average worker still lower in real terms than a decade ago. In the fifth richest economy in the world, 14 million people are living in poverty, 9 million of whom live in households with at least one person in work. Our workers need a radically fairer offer, which means raising the minimum wage to at least £10 an hour, and investing in our communities and infrastructure to aid the necessary transition to a green economy.

Trade unions are the best line of defence against workplace exploitation. I pay tribute to all trade unions, including my own, Unite, and others, including PCS, GMB and Unison, to name but a few. Yet the collective ability of workers to organise has been systematically eroded by decades of anti-trade union legislation. The latest Global Rights Index from the International Trade Union Confederation placed the UK among the worst violators of trade union rights in Europe. Forty years ago, eight in 10 workers enjoyed terms and conditions negotiated by a trade union. Today, fewer than one in four workers has that benefit. The Trade Union Act 2016 must be repealed. Trade union autonomy and

[Claudia Webbe]

sectoral collective bargaining must be restored, and the right to take industrial action, in accordance with international law, must be re-established.

One of the most nefarious downward trends in labour protections has been employers' exploitation of the legal status of workers. We must, therefore, crack down on toxic casualisation. Research by the Trades Union Congress found that 3.7 million people—one in nine UK workers—are in insecure work, including those on zero-hours or short-term contracts, agency workers and temporary casuals, as well as those in low-paid, often bogus, self-employment. Every job should be a good job, one that provides security, dignity and a fair wage. Zero-hours contracts must be eradicated, and hours should be regulated so that each worker gets guaranteed pay for a working week. Rights are meaningless if they are not properly enforced.

The Government must urgently reverse the funding cuts to regulatory bodies, including the Health and Safety Executive and Her Majesty's Revenue and Customs, to ensure that workers are safe and fairly paid. The Government and sections of big business argue that the mistreatment of workers is inevitable and that rights, fair play and dignity in the workplace are unacceptable costs to the bottom line, yet this free-market race to the bottom has normalised poverty, hopelessness and exploitation in our communities.

I will end by saying that the coronavirus has demonstrated the need for us to build a society built around the principles of solidarity, and in which all of us, regardless of our job, can live in dignity.

Sir Christopher Chope (in the Chair): Because I am keen that everybody on the list should be called, I will now impose a three-minute limit. I am afraid that the self-discipline I had hoped for has not materialised so far.

10.10 am

Wera Hobhouse (Bath) (LD): Thank you, Sir Christopher. As Liberal Democrat spokesperson for equalities, I want to limit my remarks to disability employment and covid.

This debate is very timely. Last week marked the 25th anniversary of the Disability Discrimination Act 1995. That landmark piece of legislation established for the first time the civil rights of disabled people in the UK, including in employment. We have made some progress since then. The disability employment gap has decreased steadily over the years, falling from 33% in 2013 to 28% in 2020 but that, of course, is not good enough, and the pandemic puts us at risk of going backwards on that trend.

New research shows that disabled people are now facing profound harms to their financial security and job prospects: 71% of disabled people who were working in March have been furloughed or had their work hours reduced. There are clear signs that this pandemic has had had a disproportionate impact on the lives of disabled people. Many of them are clinically more vulnerable to the virus itself. Recent research from the charity Leonard Cheshire suggests that covid-19 has also exacerbated employers' negative attitude towards disabled people. That is a worrying trend. Just 33% of employers recorded that they employed a disabled person on their staff in 2020, compared with 49% in 2018; 42% of employers reported that they were discouraged from hiring disabled people because they were concerned about needing to support them, especially during the pandemic. One fifth of employers admitted that they were less likely to employ someone with a disability.

Without Government action, there is a real risk that the pandemic will throw away the UK's progress towards equality in the workplace. A national strategy for disabled people is needed, and I hope that that will be a top priority. It is vital that such a strategy provides a clear plan for addressing the inequalities that have widened as a result of the pandemic, not least in employment.

There are opportunities for the Government to promote inclusive workplace practices. Mandatory reporting on the gender pay gap has been a game changer. It brought much-needed transparency to the inequalities faced by women in the workplace. The same principle can apply to improving equality for those with disabilities. I know that HMRC is already doing that voluntarily.

I ask the Government to consider introducing mandatory reporting for large companies on the number of disabled people they employ, as well as their disability pay gap. Covid-19 has demonstrated that flexible working and working from home are doable. Many offices are already thinking about whether to ask employees to return to the office full-time after the pandemic is over. That is a positive step and it could set a precedent that makes work culture more inclusive for those with disabilities. Flexible working is the future for many offices and workplaces. Embracing it as the culture would create real opportunities for those with a disability and would make our country the inclusive nation we want it to be.

10.13 am

Rachael Maskell (York Central) (Lab/Co-op): I put on record my interest as a member of Unite and GMB. Work is so gendered, which was brought into the spotlight in May when PwC highlighted that 78% of those who had already lost their jobs due to covid were women. Today, I want to focus my remarks on the impact of covid on women at work.

We know that inequality grows, particularly for working-class women. Think about the fact that only 9% of working-class women are able to work at home, compared with 44% of professional women. We know that women are also exposed to extraordinary risks in the light of their duties and their work. More women, particularly working-class women, have had their hours reduced. In June, that reached 52% of all women. Research showed that working-class women had double the reduction in hours of professional women.

Although the virus is gendered in so many ways, it is in particular weighted against women in the workplace. We know that improvements in employment rights would improve opportunity, in particular around absence payments. Statutory sick pay is a massive issue; the fact that we do not have proper statutory sick pay has a huge impact. We also know that women carry the vast majority of caring responsibilities for children and parents, and therefore need additional support. I am, therefore, supporting campaign group Pregnant Then Screwed's call for a parent isolation grant. We know that working parents are having to take time off for childcare and, as a result, in many cases they do not get any income at all,

taking unpaid leave. A grant would be a real game changer in ensuring that women are not further discriminated against and further disadvantaged in the workplace. It would work simply for the periods that parents are having to look after an isolating child, with them being remunerated for that.

I want to highlight the plight of pregnant women. Again, we know that their rights have been curtailed, particularly in the light of increased risk for women in the third trimester of their pregnancy. Yesterday in the Chamber, we heard the difficulties of that. I ask that the Health and Safety at Work etc. Act 1974 be fully extended and provision be put in place to ensure that women in their third trimester can get full payment at home and that that should not trigger their parental leave. Finally, I want to put on record the Pregnancy and Maternity (Redundancy Protection) Bill introduced by the right hon. Member for Basingstoke (Mrs Miller); it is vital to support women in the workplace during this time, in the light of the redundancies they have experienced.

10.16 am

Christine Jardine (Edinburgh West) (LD): It is a pleasure to serve under your chairmanship, Sir Christopher, and also to follow the hon. Member for York Central (Rachael Maskell). I thank the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) for securing this important debate. One of the commonest ideas expressed in this crisis is that the world, the economy and our day-to-day lives are going to be different when it is over. One of the things, it seems to me, that many of us here are increasingly concerned about is the impact it will have on employment rights, which people fought for bitterly for the best part of a century. Those rights were hard won and then fiercely defended, but now they are in danger of slipping from what seemed a firm grasp but is becoming looser.

No one can deny the unexpected shock felt by our economy and the impact that covid-19 has had on many sectors, specifically, as the hon. Member said, on the airlines and the air sector in general. As the Member for Edinburgh West, I have also experienced at first hand the trauma of the many employees of Edinburgh airport, connected businesses such as Menzies Aviation and specifically British Airways. Many of BA's employees, who are constituents, have phoned me just looking for some explanation, help and support for the trauma that they are going through as a result of what some euphemistically call "adjusted contracts" and what elsewhere has been branded, quite justifiably, "fire and rehire".

However, it is not just British Airways that has used this crisis and used redundancy to make a mockery of the terms and conditions of staff. I have had constituents who were working from home and were then forced to take annual leave because their employers' IT was not working. I have had people whose jobs disappeared because the company was bought and there was no mention of being TUPE-ed. There is also one section of society that we are forgetting and that is the massive gig economy and the self-employed, who have been completely excluded for 10 months from any support. That is why, as the Liberal Democrat economy spokesperson, I want to see furlough extended not to March but to June next year, until we have, by all predictions, a vaccine and we may be able to resume some sort of normalcy and people's jobs will be protected.

As we come out of this crisis, unemployment and the fall in vacancies could be disastrous for this country. We will need to keep a needle-sharp focus, not just on our economy but on employment and rights. We must we keep at the forefront of our minds and under our scrutiny of the Government the protection of employment rights. They are not bureaucracy, they are not red tape; they are protection for all of us and our ability to keep a roof over our heads and feed our families.

10.19 am

Justin Madders (Ellesmere Port and Neston) (Lab): It is a pleasure to see you in the Chair, Sir Christopher. A lot of people are self-isolating at the moment; that number could be higher if test and trace worked properly, but we still have hundreds of thousands of people who cannot attend work for two weeks, as the law requires them to isolate. However, they are doing so without any protection from detrimental treatment by their employer, which could be refusal to pay sick pay to which they are entitled, or even dismissal.

I have also heard concerns from constituents that a period of self-isolation could be used to trigger a sickness absence review, or be used as part of a process that is already under way. It is quite possible that if other members of the same household get symptoms or test positive, people might have to self-isolate on multiple occasions. I am sure we can all understand the genuine anxieties people might feel if they have to tell their employer that they are having to self-isolate for a second or third time, so why are there no workplace protections to support them in doing the right thing? The Government could state very clearly, either through guidance or regulation, that a period of self-isolation should be classed as other leave that cannot be called unauthorised leave, sickness absence or annual leave, and cannot be used as part of any disciplinary or capability process. I think that is a very simple ask of the Government.

Fire and rehire is not a new development—it has been around for as long as people have had jobs—but just because it has happened for a long time does not make it acceptable. In fact, it shows that our employment protections are as antiquated as they are inadequate. The current crisis has shone a light on the absolute imbalance of power in the employment relationship, and the way in which so many people feel exposed to the whims of their employer. That powerlessness does not just manifest itself in people losing their jobs: look at everyone on zero-hours contracts, in the gig economy or in agency work. They are literally at the company's beck and call, so insecurity is baked into the workplace. It is little wonder so many people have a sense of helplessness, but it does not have to be this way. Job security does not have to be an impossible dream, and the first step to understanding that is looking at why rights are so weak, and often illusionary.

That illusion manifests itself in full technicolour with fire and rehire, the very existence of which causes people great concern and bewilderment that they are in this situation. Yes, they are directly employed; yes, they have been there possibly for decades; yes, their terms and conditions have remained constant throughout, and may even have been collectively negotiated by their trade union. Their job has not changed, they have performed well, and the company still makes a profit, so why are they suddenly being asked to come in and do

[Justin Madders]

the same job for 20% less? The answer lies in the combination of weak employment laws, opportunistic employers, and an indifferent Government. Together, those factors allow for hard-won benefits to be stripped away through a consultation period that amounts to a box-ticking exercise, followed by the inevitable slide into weakened terms and conditions, which will often make it easier for the employer to do the same thing all over again in a year or two. It is a race to the bottom that has been accelerated by coronavirus, and it is about time that race was stopped.

10.22 am

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your chairmanship, Sir Christopher, and I pay tribute to the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) for having secured this debate. Let us leap straight in on the point that was just raised by the hon. Member for Ellesmere Port and Neston (Justin Madders): the issue of asking people to self-isolate, after being traced through track and trace, is vexed when it comes up against people's right to an income.

As in other parts of the country, Cumbria's NHS and public health services have been incredibly successful at tracking and tracing people. Their success rate has been 98%, compared with the Government's failed equivalent programme, which has a success rate of something like 65%. However, if a person is contacted by the NHS in Cumbria, because of the Government's failed system, they are not able to access the grant. That is an outrage, and for the past month, Cumbria's Director of Public Health has been raising this as an issue; so far, the Government have failed to answer it. A right to an income is surely something that should be at the top of all of our agendas for our constituents.

I also want to refer to parental leave, particularly maternity leave. When the Government were coming up with the self-employed income support scheme back in March, they put together a scheme that looked at a self-employed person's income over the past three years. If that person had taken parental leave—most likely maternity leave—during those three years, they ended up with a reduced income. That is a real blow to people, particularly women who have taken maternity leave in that time, and it shows the Government's lack of concern for those people who have taken time out to raise a family. On top of that, as the hon. Member for York Central (Rachael Maskell) said, many people do not feel able to, or cannot, return to work after their maternity leave, simply because childcare is not available. Many of them are not able to be furloughed; many have lost their jobs, and they form part of the 3 million people in this country who have been excluded from any kind of Government support.

Many employers in the Lake district and the Yorkshire Dales have done a tremendous job trying to support their staff, and have kept them going for as long as they could. Despite the fact that 40% of the entire workforce was on furlough at one point and we have seen a sixfold increase in unemployment in the south lakes, they nevertheless kept their employees going for as long as they felt they could, but after that short summer season at the end of August, they let their staff go.

The Government have now announced an extension of furlough after months of most Members in this room urging them to make a commitment much sooner, but they left it so late that many employers in my constituency and elsewhere let their staff go in early September. Guess what? The Government will not backdate furlough to anybody who was let go before 23 September. There will be hundreds of thousands of people in this country whose employers did their best to keep hold of them, but realised they had the choice of losing their business and losing all their other staff or losing some of their staff. They made that difficult choice. Because the Government dilly-dallied for so long over extending furlough, there are thousands in that position. The Government should bring forward the date to which furlough can be backdated to the beginning of September.

10.24 am

Jim Shannon (Strangford) (DUP): I thank the hon. Member for Paisley and Renfrewshire North (Gavin Newlands). We did look forward to this debate taking place earlier on. Unfortunately, it was postponed but with the chance to return to it today.

The figures of redundancy are extraordinary and frightening for my constituency. In Strangford, despite the furlough scheme and support scheme, which cannot be sustained in the long term, there were almost 2,700 actual claimants for unemployment—1,315 higher than March this year. That is double and it does not even account for those who were furloughed as well. For those aged 18-24, there were 650 claimants compared to 335 back in March, so it is younger people in particular as well.

We are facing what may well be the greatest recession in living memory. It must be remembered that the backbone of our economy is found in the SMEs, and it is for my constituency in particular. These are dire times. People in work are so happy to be in work that there is a danger of exploitation, and we must look at and regulate how staff are treated.

I want to quickly outline the issue for airline staff, who are having terms and conditions altered and have no choice but to accept that. How could they kick up when they knew the alternative was straight-out redundancy? While we received assurances that this was not the case, I was not surprised to be asked to sign a letter to the Minister from those opposed to these grave tactics—that is what they are— and I was pleased to be a signatory to that and also to participate in this debate.

I get a British Airways or Aer Lingus flight twice a week. The staff are courteous, kind and hardworking in the face of adversity. It angers me that they are being taken advantage of when their back is against the wall—when it is unlikely that they can refuse and walk away with dignity into another job. As I outlined at the start of my speech, every sector is in difficulty.

One of my constituents sent me a letter, which said:

"It is shameful that over the past few months major employers have used mechanisms for sacking tens of thousands of workers so that they can reduce terms and conditions",

This letter refers to

"GMB members at British Gas/Centrica and British Airways"

as well. It goes on:

"The result is a negotiation that can never be conducted in a fair and balanced way. I think we need a change in the law to stop this from happening."

I, along with every other right-thinking decent person, am asking for urgent intervention and not only for my numerous constituents who have contacted me, but also in the name of honour and decency. We cannot allow unscrupulous shady dealings to go unanswered and we must step up to do our part for the airlines, as we do for other staff as well. We all have moral obligations, for example when companies deliberately hire people for shorter hours and do not give holiday and sick pay in proportion. It is up to us in this place to provide the legislative framework to protect the workers. These are tough times and we must support our businesses that seek to retain staff, but we cannot turn a blind eye to those who are deliberately drawing up new contracts or job descriptions. We can only come through this if we do the right thing on behalf of our workers and those people who need us to protect them, or at least to legislate to provide that protection. We can only come through this if we do the honourable thing.

10.28 am

Owen Thompson (Midlothian) (SNP): It is a pleasure to serve under your chairmanship, Sir Christopher. I join others in congratulating my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) on initiating this important debate. I certainly note that, as the hon. Member for Easington (Grahame Morris) said, the number of Members taking part shows the real importance of this issue. I also welcome my hon. Friend's Bill—the Employment (Dismissal and Re-employment) Bill—and commend that to Members, as well as the work that he is doing to end the practice of firing and rehiring.

The days of people worrying for their lives when they go to work should be long gone. Gone, too, should be the days when staff have to put up with salaries that do not pay the bills and with exploitative contracts that take advantage of job insecurities. Employers have a duty to look after their staff, and it is even more important in these difficult times that workers are properly rewarded with a real living wage and working conditions that allow them a comfortable life. It was a tough slog to get the employment rights that we enjoy in the UK, and we cannot let them be one of the casualties of this crisis.

One easy step that the Government could take would be to support the private Member's Bill of my hon. Friend the Member for Paisley and Renfrewshire North to stop firing and rehiring on less favourable terms. They could also ensure that employees understand their existing rights and the working mechanisms to ensure that employers meet their obligations.

It has been clear historically that many Conservative Members are not fans of workers' rights, as many ex-mining communities such as those in my constituency will testify. More recently, with the Trade Union Act 2016, Conservatives did all they could to undermine trade unions and workers' collective bargaining rights. Perhaps they prefer working practices to be a little like the way No.10 appears to operate: a wild west where following the rules and showing respect for others goes out the window.

The hon. Member for York Central (Rachel Maskell) referred to the rights of women and working mothers, on which I should like to focus in my comments. There are fears that, without action, this pandemic could set women's employment back a generation. Unlike previous recessions, many of the sectors most devastated—retail and hospitality—are major employers of women. We know that women are more likely to be in insecure contracts, to have greater caring responsibilities and to be in a precarious position over coming months as jobs are on the line.

A joint report from Maternity Action, "Covid19: new and expectant mothers in the front line", cites a TUC survey from June, when one in four pregnant women and new mothers surveyed had experienced unfair treatment or discrimination at work, including being singled out for redundancy or furlough. In the same month, a survey by the Office for National Statistics found that parents, at 13.6%, were almost twice as likely to report that they had been furloughed as workers without children, at 7.2%. I am grateful for the fact that the furlough has eventually been extended, but fears remain that many hundreds of thousands of furloughed jobs will be lost, with a new wave of discrimination when the scheme winds down.

Another private Member's Bill that the Government could throw their weight behind was introduced by the right hon. Member for Basingstoke (Mrs Miller) on pregnancy and maternity protections. I certainly urge them to do so. This would be similar to the legal framework in Germany, strengthening redundancy provisions for pregnant women and new mothers and ensuring that jobs are less likely to be put unfairly at risk during maternity leave. It could be done swiftly and would benefit thousands.

Why would the Government not embrace such a cost-effective solution? In theory, extending maternity and paternity leave regulations and ensuring that a suitable alternative vacancy is offered when one is available are not without cost, but doing so has so many benefits. Women's rights and protections when pregnant are in existing health and safety guidance, but it is worth placing that on the record because there seems to be some confusion about it in the comments of some hon. Members.

Pregnancy is not an illness: it is important that we are absolutely clear about that. The guidance, however, is often little known or understood. If pregnant employees cannot work from home, employers should undertake a risk assessment to determine what steps must be taken to make the workplace safe for them. If an employer is unable to provide a workplace that meets those requirements, a pregnant woman must be suspended on full pay.

When the UK Government gravely warned pregnant women about the dangers of the covid-19 virus, they could and should have clarified those rules. Instead, many women report being forced to take annual leave or unpaid leave or to use maternity leave early when the pandemic meant they could not safely perform their roles. Surveys have found that around half of pregnant women have had a risk assessment carried out, and equally few feel confident that their employer will, in accordance with the legislation, accommodate the outcome of the risk assessment. Surely, looking after pregnant women should be a priority of any Government or any civilised society.

The UK Government's response to pregnant women and mothers who have been unfairly treated has been to advise them to take matters to an employment tribunal. I am delighted by this Damascene conversion to the

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value of employment tribunals, given that the trade unions had to drag the Government through the courts to get rid of the fees that prevented access to tribunals for those who could not afford it. Tribunals are a vital tool, but early prevention in disputes is a far better cure. So why not get the guidance right in the first place? Why not make these issues legally enforceable and put deterrents in place for bad employers? Why put all the extra stress and pressure on the employees to fight their corner and put extra pressure on a tribunal system already feeling the strain?

So far, from written questions that I have asked on these matters, very few answers have come my way and they do not offer much comfort to tax-paying workers struggling to get by while facing discriminatory practices under the cover of the current pandemic. I urge the Government to improve the commitment to employment rights, tighten up laws where necessary—we have heard a few examples today—and make sure that they really do wrap their arms around everyone by protecting them from unfair employment practices.

10.35 am

Andy McDonald (Middlesbrough) (Lab): It is a pleasure to see you in the Chair, Sir Christopher. I congratulate the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) and the Backbench Business Committee on securing this important debate. I declare my interest as a proud member of Unite the union.

In March the Prime Minister told people across the country that the Government would put their arms around every single worker, but what has taken place in the past eight months has been nowhere close to what he promised. Instead we have had the silent erosion of employment rights and protections without a whisper from the Government. There is no doubt that this crisis has been brutal for working people, who have been laid off and made redundant in their droves and who have seen huge falls in the wages that they take home at the end of the day. It has been a brutal awakening that the rights and protections that they are supposed to enjoy, rather than acting as bulwarks against abuse by their employers, are in reality worth little more than the paper they are written on.

One of the most fundamental workers' rights is the right to a safe workplace, as set out in numerous pieces of legislation, and the importance of that right could not be more pronounced during this pandemic, where otherwise benign workplaces such as retail have been turned into high-risk places, with high rates of contact with members of the public putting staff at risk from coronavirus. Despite that, huge numbers of workers were told to return to work over the summer, their employers spurred on by the dwindling support and increasing limitations of the furlough scheme, without proper precautions to ensure that a safe workplace was being put in place—effectively rolling back the right to a safe workplace.

The ability to demand this return to work, and the failure to put proper protections in place, putting staff in great danger—as we have seen in the health and social care sector—are a direct result of gutting local authority resources and in particular the Health and Safety Executive, which has been left powerless to enforce the rules that it was formed to uphold, with almost £150 million in real-terms cuts between 2010 and 2018 and about 500 inspectors let go. As we have seen at British Airways and Centrica, or British Gas, unscrupulous employers have been using this crisis—as my hon. Friend the Member for Easington (Grahame Morris) said—as cover to unilaterally push through dramatic changes to employment contracts and to water down staff pay, terms and conditions. These unfair, unethical and underhand fire and rehire tactics, used by some of the largest and most profitable businesses, are essentially a legal loophole for blackmail that leaves workers worse off, as employers know full well that, in an increasingly uncertain employment market and under the threat of redundancy, workers cannot say no.

Such tactics also allow bad employers, who are happy to chop away at rights and pay or to let staff take the fall for poor business decisions and mistakes while sitting on vast financial reserves and still paying bonuses and dividends, to flourish, while good employers, who care about and invest in their staff, are punished as a consequence. These are the last things that people in our economy need in the middle of a recession. The Government should be helping businesses to boost wages, improve productivity and invest in their work force, not to shed staff and cut wages and employment rights. While they are at it, they could end the scourge of zero-hours contracts and insecure work.

Just look at Optare in North Yorkshire, where a last-minute concession was drawn from the Government to ensure that workers had the right to picket, as my hon. Friend the Member for Birkenhead (Mick Whitley) said. Look at Ark Academy school trust, whose cleaning contractor, Ridge Crest, told the reps from United Voices of the World to drop their union and they would get PPE and the London living wage. Look at the Leicester garment workers, knocking out fashion for Boohoo at record speed, having their pay withheld and otherwise being paid half the national minimum wage. Where is the enforcement from the Government?

Then there are workers whose rights have been breached and who have been put at risk by their employer over this period, but who actually know the rights and protections that the law affords them. They still have to overcome the hurdles that are put in place by an enormous backlog in the employment tribunal system. The figures have soared to over 450,000—an increase of almost 50%. Even if a worker has been forced to return to work in an unsafe environment, has had their wages and conditions cut or has been unfairly dismissed, they are not likely to get justice for the best part of two years, if not longer.

Justice for such basic matters that takes two years to be served is not justice. Rights that cannot be enforced are not rights at all; they are just gestures of good will that employers can readily ignore on a whim. Vital and fundamental employment rights that were built over years of what were extraordinary struggles, often in the face of huge adversity, have been demoted to little more than platitudes, rather than real, meaningful and enforceable rules and protections.

While this takes place, the Government look on. Although they have set out guidance for workplaces to be made covid-secure, they have failed to make it clear that the guidance does not circumvent or replace the statutory protections that are currently in place, thereby

reminding employers of their legal obligations towards the health and wellbeing of their staff, even within the offices of the Department for Business, Energy and Industrial Strategy.

The Government have refused to back the Health and Safety Executive and to give it the teeth it needs to hold bad employers to account for their unsafe workplaces, putting staff in danger from covid by returning only a measly £14 million out of what has been a £150 million cut since the last Labour Government. It is simply illogical that the Government brought in new powers to restrain citizens from putting others at risk in the public sphere, while at the same time neglecting the enforcement of workplace protections, thereby allowing employers to flout the law in the workplaces they control and to put at risk the health and safety of workers and, in turn, the wider public.

In discharging his duty to keep safe all who work in this place, the conduct of the Leader of the House has been woeful and reckless in the extreme. On the outrageous tactic of firing and rehiring, the Government's record is no better. They tell us that they expect all employers to treat their employees fairly and to follow the rules, and they have made it clear that they regret some of the decisions that have been taken. The Prime Minister had the audacity to tell BA staff in an email that employers should not be removing staff or changing terms and conditions, yet the Government have still allowed employers such as BA to take the taxpayer's money and to lay off huge numbers of staff without consequences. They have refused to commit to stand up against such exploitation by bad businesses and to legislate to ban this tactic for good, as the Leader of the Opposition has rightly called for them to do.

Such outright indifference to the struggle of workers to keep their jobs, wages, rights and conditions takes place against a backdrop of the Government undermining the strength and bargaining power of trade unions that are fighting to protect jobs. However, we should not expect anything less from the same Government who sought to curtail the ability of working people to do that, through imposing employment fees.

President-elect Joe Biden said in his campaign:

"Today, however, there's a war on organising, collective bargaining, unions, and workers. It's been raging for decades, and it's getting worse with Donald Trump in the White House."

That is exactly the position in the UK after 10 years of Tory rule. After a decade of brutal austerity cuts by the Government, they have undermined protection for people at work and increased the risk to their health, safety and welfare. However, the pandemic has exposed just how much damage austerity has done, and how far these rights have been eroded.

The excuses offered by the Minister will be that such concerns are commercial issues—he has said it before—and that they are to be resolved by employers and workers. That is not good enough, and it shows just how far removed from reality the Government have become. It also demonstrates just how inadequate and unenforceable our current employment rights and protections are, and why, more than ever, we need a new employment rights settlement that can properly protect working people across the country.

I urge the Minister to confirm that the Government will never again put obstacles in the way of working people upholding their rights and seeking redress, and to guarantee that the protections afforded to working people will be strengthened in the employment Bill that has yet to appear before Parliament, a year after being promised. Their boast was that the employment Bill would

"Protect and enhance workers' rights as the UK leaves the EU, making Britain the best place in the world to work."

Well, let's see it.

10.45 am

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): It is a pleasure to serve under your chairmanship, Sir Christopher. Like everyone else, I congratulate the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) on securing today's important debate. This is a really important matter—a collective matter—and we have heard a number of excellent contributions from across the Chamber detailing individual issues within the overall, encompassing issue of workers' rights.

Clearly, covid-19 has had a massive effect; it reaches deep into our economy and society. It has required us, as a country, to wrap our arms around the economy and around businesses and employees as well. The Government have acted decisively to provide an unprecedented package of support to protect people's livelihoods.

Grahame Morris: Will the Minister give way?

Paul Scully: I will briefly, but I do want to make progress.

Grahame Morris: I appreciate that the Minister is under siege, so I will just ask a simple question. If we are truly wrapping our arms around workers and employees, will he take steps to ensure that the awful practice of fire and rehire is outlawed, because it is unnecessary and is having an appalling effect?

Paul Scully: The reason why I am limiting interventions is that I want to leave the hon. Member for Paisley and Renfrewshire North time at the end of the debate to sum up. I will clearly cover fire and rehire in a second.

Before doing so, I want to look at just some of the ways in which we have wrapped our arms around the economy and around businesses and employees. We have done that through the furlough scheme, which has allowed 1.2 million employers across the UK to furlough 9.6 million jobs. As we have heard, that scheme has been extended to the spring. With regard to the self-employment income support scheme, there is an increase under the third instalment of the grant, covering November to January.

It is also important that we help to get people, and particularly young people, back into work; we have heard about that from other hon. Members today. That is why, as we have announced, more than 19,000 jobs have been created so far through the kickstarter scheme, helping young people from across the country into the workplace and into a variety of sectors. In addition, 1.3 million businesses have had a Government-guaranteed loan to support their cash flow through the British Business Bank. That is delivering £8 billion to more than 98,000 SMEs—something close to my heart.

The hon. Gentleman talked about fire and rehire tactics. A key aspect of building back better is to continue championing a flexible and dynamic labour

[Paul Scully]

market, which gives employers the confidence to retain and hire staff, while maintaining a framework that protects individuals. For those who, sadly, lose their jobs, clear laws about unfair dismissal will ensure that their rights are protected. We have tightened the protections throughout the covid-19 pandemic. For example, we have made sure that statutory redundancy pay, statutory notice pay and unfair dismissal compensation are based on a furloughed employee's normal pay rather than furlough pay. People who, sadly, are made redundant will receive the same level of financial compensation as they would if they had not been furloughed.

To understand better the issues in relation to fire and rehire, the Government are working with ACAS, and we are bringing together a number of roundtables with businesses, employee representatives and other bodies to discuss these issues in more detail. The House should be left in no doubt that this Government will always continue to stand behind workers and to stamp out unscrupulous practices where they occur.

We have responded swiftly and effectively to the pandemic.

Gavin Newlands: Will the Minister give way?

Paul Scully: I will come back to some of the hon. Gentleman's points, but, yes, I will give way now.

Gavin Newlands: I am grateful, and I will keep my intervention brief. Can the Minister confirm, if he is having roundtable discussions about the practice of firing and rehiring, whether something might be brought forward in the employment Bill, when that Bill is eventually brought forward? If that is the case, will he work with me and others across the House to ensure that those provisions are good enough for the workers of this country?

Paul Scully: I will gladly work with the hon. Gentleman in continuing to discuss workers' rights in this area and other areas. It is important that the employment Bill, when it does come, not only extends workers' rights in the way that we talked about in our manifesto, but does so in a way that fully reflects the situation we are going through and the lessons learned from the pandemic.

Some hon. Members talked about pregnancy and maternity discrimination. That is not acceptable under any circumstances. We have continued to remind employers of their existing responsibilities under current legislation. Equalities legislation requires that employers must not discriminate in the workplace based on gender, pregnancy or maternity. Following the Government's consultation in 2019, we are extending the redundancy protection period afforded to mothers on maternity leave to six months, once the new mother has returned to work, and to those taking adoption leave and shared parental leave.

We have taken steps to support new parents by passing emergency legislation that ensures that parents who are furloughed during the period, and are determined to be entitled to maternity, adoption and other family related statutory pay, do not lose out.

Rachael Maskell: Will the Minister give greater clarity about what rights women in the third trimester of pregnancy have to protect themselves and their children?

Paul Scully: I am happy to write to the hon. Lady fully to outline those details. The legislation entitles parents to a rate of pay based on their normal earnings, not their furlough pay.

Employment rights enforcement is as important as ever during this pandemic. We already spend £33 million a year on state enforcement of employment rights. Enforcement bodies continue to protect vulnerable workers and have worked with businesses to promote compliance throughout the pandemic. As has been mentioned, we have committed to go further and establish a single enforcement body for employment rights, to better protect vulnerable workers and create a level playing field for the majority of employers that comply with the law.

Wera Hobhouse: Will the hon. Gentleman give way?

Paul Scully: I will not because I want to leave time for the hon. Member for Paisley and Renfrewshire North to respond.

The Government have acted decisively to protect the health and safety of workers who cannot work from home during the pandemic, including by providing tailored guidance on social distancing in the workplace to enable sectors to reopen and, where exemptions apply, to trade through the new English national restrictions. To date, the guides have been viewed over 3 million times. Where the Health and Safety Executive identifies employers that are not taking action to comply with the relevant public health legislation and guidance to control public health risks, it will consider taking a range of actions to improve the control of workplace risks.

The hon. Member for Paisley and Renfrewshire North made a powerful argument about fire and rehire. When I spoke in the Chamber recently, I was absolutely clear that it is not acceptable to use that as a bargaining or negotiating tactic. When I talked about flexibility for firing people, I was not talking about adding any extra power to Goliath over David. Indeed, it is clear that we must have a level playing field.

Small businesses need to be able to thrive, but when employees in big businesses are concerned about collective bargaining and the power of the large employers, that shows that we need to strengthen workers' rights and not weaken them in any way. We will continue to work with hon. Members across the House. Any sensible employer should know that investing in and working with their people is the biggest strength that they have. I say that as someone who ran small businesses for 25 years.

We have talked about bereavement. I am glad that we introduced the right to bereavement pay for people who have lost a child. There is a day-one right for unpaid leave to respond to other forms of bereavement.

The Low Pay Commission recommends the national minimum wage and the national living wage to Government. We will always respond to the collective view of that body, which encompasses union, independent and employer representation, rather than just taking a Government view, to come up with what is best for the economy, but not on the basis of the lowest paid in this country. We want to make sure we include our manifesto commitment to allow people to benefit as we level the playing field for people aged 23-plus as well.

The hon. Member for Blaydon (Liz Twist) talked about retailer abuse, on which USDAW, with whom I have had regular discussions, has had a good campaign.

The retailers themselves have raised issues most recently about the closure of pubs and restaurants. In Nottinghamshire, for example, there has been an increase in reported abuse of retailers around the sale of alcohol, so we need to reflect and act on that quickly.

We have heard about zero-hours contracts from a few speakers. Some 3.2% of workers are on zero-hours contracts, and they work an average of 25 hours a week. The Taylor review recommended not scrapping zero-hours contracts. We have got rid of exclusivity clauses in zero-hours contracts, but he said that banning such contracts

"would negatively impact…more people than it helped."

To conclude, I thank the hon. Member for Paisley and Renfrewshire North once again for securing this important debate. I want to reassure workers across the country that we will continue to stand shoulder to shoulder with them throughout the crisis as we build back better. As soon as parliamentary time allows, we will introduce an employment Bill to reflect everything that we have learnt, and we will deliver the Government's manifesto commitments. The legislation will make workplaces fairer by providing better support for working families and new protections for those in low-paid work, and will encourage flexible working. It will balance the needs of both employers and workers, ensuring that everybody benefits from flexibility. It will also create a new enforcement body for labour market abuses and give greater protections to vulnerable workers.

The hon. Member for Leicester East (Claudia Webbe) talked about the situation in Leicester, which is so important for us all. The taskforce set up in Leicester has visited 140 premises. There are a significant number of live investigations, and we want to do more to make sure we get to the bottom of any reports of abuse in Leicester and beyond. The Government have a proud history of protecting and enhancing workers' rights. We are committed to making the UK the best place in the world in which to work.

10.57 am

Gavin Newlands: I thank the Backbench Business Committee for allowing today's debate. As a former member of that Committee, I could feel the virtual slap on the wrist from the hon. Member for Gateshead (Ian Mearns), who is hundreds of miles away. I am grateful to Members for their attendance. The debate has been very well attended. It is a shame that the only Government Back Bencher was not able to speak this morning. I am grateful to Members' support for the many issues discussed this morning, including the support for action on firing and rehiring.

The Minister pointed out that he had spent many years running small businesses. I also ran businesses and spent time as a business analyst, so I understand and support the need for flexibility, but that should not be at the expense of workers' rights. There has to be an appropriate balance, and we do not have that balance in this country at this point in time. Although I remain perhaps naively hopeful for the employment Bill, if the Government continue to refuse to act, will they please devolve employment law to Edinburgh, Cardiff and Belfast? The Prime Minister seems to have dug himself a rather large hole on devolution at the moment, which is grist to the mill for the cause of Scottish independence. I bring that up for the benefit of the hon. Member for Edinburgh West (Christine Jardine), because she is a big, big fan of independence. *[Laughter.]*

I implore the Minister, as I said in my intervention, to listen and work with Members across the House when shaping the employment Bill. That work should include the abolition of firing and rehiring, and making sure we have appropriate protections for all workers in the United Kingdom. I thank hon. Members again, and I thank you, Sir Christopher.

Question put and agreed to.

Resolved,

That this House has considered the covid-19 outbreak and employment rights.

10.59 am

Sitting suspended

Disabled Access: Leisure Facilities

11.1 am

Siobhan Baillie (Stroud) (Con): I beg to move,

That this House has considered disabled access at leisure facilities.

It is a pleasure to be here under your chairmanship, Sir Christopher. I am delighted to have the opportunity to make the case for fairer inclusion for disabled children at leisure facilities, and particularly theme parks. We are here to talk about Sebby, a very brave little boy, who suffered a horrible experience on what should have been a happy day. Yet rather than feel defeated, he and his family have chosen to fight to stop other children going through the same thing. Our petition for fairer inclusion for disabled children at theme parks has more than 26,000 signatures. In a year dominated by the global covid pandemic, which has certainly made this place much quieter, the high number of signatures, and media interest from around the country, shows the strength of feeling about this issue.

Sebastian, or Sebby, is six years old. I have spent time with Sebby and his sister. They are warm, happy and engaging children, who brought their own toys to calm down my screaming little baby when she was crying at our meeting. Yet Sebby has been through more in his short life than most of us in this Chamber put together. He is disabled with gross motor delay, with symptoms that are shared with cerebral palsy. He has had spinal surgery and double hip replacements, and he undergoes regular intensive therapy to improve his mobility. He uses an electric wheelchair and sometimes crutches. I urge colleagues to look up his Facebook page, "Sebby's Adventure". It is heartwarming, but they will also see his extensive work for often painful physiotherapy, and the amount of effort that he and his family are putting in, to improve his mobility. They impress me all the time.

It is with this brave child in mind that we think about looking forward to going to a theme park—a very simple thing. Indeed, that visit to a theme park was promised to get him through a number of tough surgeries in hospital.

Jim Shannon (Strangford) (DUP): I thank the hon. Lady for bringing this debate to Westminster Hall. Perhaps I may quickly mention the case of one of my constituents, who is totally disabled—born disabled—and needs a wheelchair to get about. He asked the council to provide wheelchair football for him and a group of people. The council was hesitant initially but then responded very positively. That did two things: it improved his physical abilities and opportunities, but it also improved his mental wellbeing. Does the hon. Lady feel that the issue is not just physical but mental wellbeing?

Siobhan Baillie: That is absolutely key. This is not just about physical but about mental wellbeing. Such children and families are fighting and challenging all the time, and have to make their voices heard. Small acts of kindness or small changes to policy can make all the difference for mental and physical wellbeing.

In September 2019, Sebby, who was then five years old, entered Legoland looking forward to going on the Ninjago ride. Sebby's parents had engaged with Legoland for months before to arrange the correct pass. They let the park know about Sebby's disabilities and provided multiple items of the proof required to show that Sebby is disabled. The Ninjago ride that he wanted to go on is for trainee Ninjas—I am sure we all want to achieve trainee Ninja standards—because it was clear that it could be accessed by a wheelchair lift.

So far, so good, I can hear Members saying, but unfortunately not. As Sebby and his family got to the ride, a member of staff awkwardly intervened to say that he needed to show that he could walk before going on a ride. Other members of staff then joined in the discussion and they decided between them that he needed to show that he could take three steps, holding on to one parent with one hand.

This all took place in front of a busy queue of people. Anybody who has queued at theme parks knows that they are not the most harmonious of places, and Sebby was forced with considerable discomfort to take his three steps. He just about managed it and sat down on the ride. Despite this action, the ride manager then inexplicably required him to do the steps all over again. This drew more attention from people in the queue and Sebby was really unset. His mum described the whole episode as humiliating for him. Sebby—aged five, remember—was crestfallen and asked his mum and dad why anybody would ask someone disabled to walk. He said: "It was so hard and it upset me".

Not wanting to ruin the day, his parents were positive, but they were both shocked and distressed. They then encountered the same problem on another ride, where Sebby was told he needed to walk again. Eventually, in order to avoid that problem, at other times Sebby left his wheelchair outside the ride and went in on his parents' shoulders so staff could not tell he was in a wheelchair, and he was not challenged any more.

Sebby's family were informed that he needed to walk the three steps as there was a short staircase that would be used in case of an evacuation. However, it is clear to Sebby's mum that the evacuation could be adjusted with a ramp. The family has also seen the resort accessibility guide, which they believe shows that about 80% of rides are inaccessible. Under ride restrictions, the guide sets out the requirement to walk unaided for not just three steps but at least 10 metres,

"without the assistance of a mobility aid or a person to access the ride unit, which may include navigating stairs…In the event of an emergency, you will be required to walk down up to 80 stairs and walk sometimes over an uneven surface without assistance."

Wheelchair users would, of course, therefore be challenged in respect of both access to rides and evacuation from them. Sebby's family believe this is discriminatory.

What can be done? My hon. Friend the Minister may feel there is no need for Parliament to investigate this matter nor act, as legislation is already in place. He is right, but only to a point. Pursuant to section 6 of the Equality Act 2010, Sebby is disabled and his disability is a protected characteristic. Under section 29 of the Equality Act, theme parks, such as Legoland, are service providers. As a result, they are obliged to make reasonable adjustments to improve access so that disabled customers of all ages are not placed at a substantial disadvantage compared with non-disabled customers.

The reasonable adjustment duty is an anticipatory duty. This means that there is an expectation that businesses, including theme parks, should anticipate the reasonable

adjustments that customers with disabilities may require. This serious and well-established legislation, passed more than 10 years ago, did not protect Sebby or improve his experience that day, nor is it working elsewhere.

Reading through the heart-breaking stories from other families around the country made Sebby's mum completely determined to take action. They certainly made me very determined to make some changes in this area. This is not just about Legoland. It is clear that many other leisure parks need to make improvements. Before I read out some of the stories from other families, please note that I have not spoken to any of the parents mentioned. They have sent comments on social media and in response to the petition. I am willing to get in touch with them if necessary and welcome hearing from any of the companies mentioned. I think it is important to say that up front.

I will read a few comments, so that we can see what is happening around the country. Ellen said, "My sister Abie has cerebral palsy and I have cried at Alton Towers before, when we had a problem getting on a ride. Don't get me wrong, some places are great, but some just make everything a challenge."

Jessica said, "I had a similar experience with a girl I care for, who is in a wheelchair, at Blackpool pleasure beach. They turned around in a crowded line and shouted, 'Oh, you can't walk well. The only rides that you can go on are in Nickelodeon land.' This made me so angry. And yes, I did cause a scene, because nobody should be treated like that. They need to make these rides more accessible for wheelchair users so they do not always have to miss out."

Chris said, "We had a similar at Thorpe Park in the disabled parking area. They would not believe my brother-in-law was disabled until he took off his false leg and waved it at them."

Kate said, "My son was five. We only wanted to go on the small rides. A woman said that if he couldn't walk, he couldn't go in—bearing in mind, someone in front of us was holding a baby under one, who couldn't walk either. They stood in front of us and told my son that he could not walk. He was paralysed by a drink-driver and he didn't really understand what was wrong with him at that point. She had no damn right to say that, but we sucked it up for my son's sake, only for this to happen at every ride. I sobbed so much that day that when I phoned to complain I couldn't even get my words out."

Anita said, "We had a similar experience at Chessington for our son, with him being made to get off a ride. He was so humiliated that he never wants to go to a theme park again." She added lots of angry emojis.

Claire said, "Every ride has to step up, down or both—no lifts or options for anyone in a wheelchair to get even to a ride station on many occasions. If you spend £16 million on rollercoasters, then surely you can arrange for rides to be accessible for all." I have pages and pages of this stuff. It is just awful.

Gemma said, "My little boy, aged 10, has cerebral palsy and autism. He is a real adrenaline junky. We visited Alton Towers a few weeks ago and had the same problem. We were supposed to be going to Disney, but due to covid we obviously couldn't. I felt heartbroken seeing him look at all of the big rides and being unable to access them. In Florida, it isn't a problem."

Donna said, "My son is neurodiverse. I was told by a member of staff that he didn't look disabled and, if he was, why would I come to a place like this?"

Katie said, "A very similar thing happened to us with my daughter at Legoland in London. They let her get on rides, then humiliated her in front of everyone by telling her to get off and she only has one leg. We were not told about any of this at customer services. She was nearly nine. She loves rides and always has. We were all so angry. She was living a perfectly normal life, then got cancer and had to have an amputation. It is so unfair. In this day and age, they should be able to make more things accessible for disability." As I said, I can provide copies of those comments if necessary.

It is worth noting that a number of the families have mentioned that Disney parks in America and around the world are incredibly inclusive and have got this stuff right, so I do think it is achievable.

Legoland wrote to me last night, saying, "We recognise the importance of issues such as these being subject to public scrutiny. That is why we welcome the Westminster Hall debate that you have secured and hope that not only will it put these issues under the spotlight but also provide the Government with an opportunity to set out how it can work with the industry to support continual improvement to provision, support and access for disabled guests." Legoland explained that since Sebby's family reported these matters, it has created an illustrated guide to help guests understand step-by-step ride evacuation, and it can also create bespoke plans for families. Legoland has engaged in further staff training specifically to address ride restrictions and guest communication of ride evacuation processes. It has also made other changes in the last few years. I am happy to make this letter available to anyone who is interested. I have passed a copy to the Minister.

This was never about one company. As we have heard, there are theme parks around the country that should look to their policies and to the law. Theme parks are also an excellent source of fun. I enjoy them myself, as do many people, and they are an integral part of our tourism industry. However, brave children already battling disabilities should not be made to feel different or be excluded from leisure parks and rides. Parents of disabled children should not always have to fight, challenge and complain. The majority of those parents will not have access to legal advice and will not always understand their rights and what steps to take. I therefore ask my hon. Friend the Minister to use his experience to help us consider ways that we in this place can assist children like Sebby.

Leisure parks should not be able to set policies that effectively undermine a disabled child's being able to use a ride that claims to be inclusive. Families should not have the surprise of a walking test on arrival, having previously been led to believe that the park is inclusive. It is unclear what training staff in the parks have had to understand policies and legislation and how they can help disabled people. The Ninjago ride is relatively new, having been built in 2017. I want to ensure that theme park providers are required to procure and commission new rides that are completely inclusive for disabled people. There should be no excuses.

I therefore respectfully request that the Minister arranges a stakeholder meeting, along with a Minister from the Department for Digital, Culture, Media and Sport and

[Siobhan Baillie]

the disability Minister from the Department for Work and Pensions. I also request that he commits to reviewing any codes of practice. I am open to other ideas on how we can make improvements.

11.16 am

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston): It is a pleasure to serve under your chairmanship, Sir Christopher. I congratulate my hon. Friend the Member for Stroud (Siobhan Baillie) on securing the debate. She raises an important issue, following a disturbing experience of one of her constituents at a leading tourist attraction. It does not surprise me at all that she raises this issue with the compassion and professionalism that her constituents have come to expect from their excellent Member of Parliament. I will briefly respond to the issue raised before moving on to talk in more general terms about what the Government are doing in this area.

The specific case raised by my hon. Friend was a very unfortunate incident, and I sympathise with her constituents, the 26,000 people who signed the petition and the families who have written to her to articulate their concerning cases and experiences. I understand that Merlin, which owns Legoland and many other visitor attractions in the UK and around the world, has been in contact with the family. My hon. Friend will be aware that I am unable to discuss this particular incident or the specifics of the case in detail. However, my officials have also been in contact with Merlin, and I understand that it is looking into further operational changes, including staff training, which is so important to the visitor experience and the overall visitor experience for guests with disabilities. I am glad that it is also focusing on accessibility issues more broadly across its attractions, and I appreciate that it has also written to my hon. Friend directly.

My hon. Friend will be aware that, as the tourism Minister, I do not have direct responsibility for disability discrimination law. Ultimately, disability discrimination is governed by the Equality Act 2010 and is the responsibility of the Government Equalities Office, so I hope she accepts that I may not be able to give her complete chapter and verse on all the legal particulars of the case she raises, but I hope I can give a reasonably detailed response. The Equality Act requires service providers, including tourist attractions such as theme parks, to make "reasonable adjustments" to improve access for disabled customers of all ages. Fundamentally, disabled customers should not be placed at a substantial disadvantage to non-disabled customers. Ultimately, the question of whether there has been a failure to comply with the Act hinges on what does or does not constitute a "reasonable adjustment."

The Equality Advisory and Support Service can be contacted—via its website, telephone or textphone—by anyone who believes that they or their children have been discriminated against during the provision of services, and it can contact a service provider on the customer's behalf to discuss any particular concerns raised. It also liaises with the Equality and Human Rights Commission, which has powers to enforce the provisions of the Equality Act. I am happy to take this up in writing with the relevant Equalities Minister if my hon. Friend would like a more detailed response.

In the meantime, I will set out more broadly what the Government have done and are doing to make tourism and leisure more accessible. In 2019 we published the tourism sector deal, which set out an ambition to make the UK the most accessible destination in Europe by 2025. There were several reasons we wanted to pursue that goal. First, and most importantly, it is simply the right thing to do. Our amazing visitor economy—attractions, accommodation and transport—should be open to everyone. Secondly, it makes business and economic sense. According to Visit Britain, 43,000 British adults with a disability did not take a domestic holiday in 2017, when figures were last available. If they did take a domestic holiday, that would equate to a £117 million boost to the British economy. Thirdly, we have an ageing population. Projections indicate that in 50 years' time there will be an additional 8.6 million people aged 65 and over in the UK. We must ensure that our tourism sector is fully developed to take account of the needs of those older tourists, many of whom will have access requirements, even if they do not consider themselves to be disabled.

The fact that we made that commitment does not mean that we are not already undertaking action to make the UK's tourism offering more accessible. For example, VisitEngland has a dedicated web portal, providing tailored business advice to tourism businesses. Among other things, that includes detailed guidance on how businesses can welcome people with autism, dementia or hearing loss. I know that the tourist boards of the devolved Administrations are similarly engaging on those issues. VisitEngland has also ensured that its promotional and marketing activities are inclusive. For example, its "Escape the Everyday" campaign—it is currently on hold due to national restrictions, but we expect it to be revived shortly—has worked in partnership with Channel 4 to launch the "Mission Accessible" series, which follows comedian Rosie Jones as she participates in activities from the perspective of a disabled person with accessibility requirements.

In the Budget earlier this year, my right hon. Friend the Chancellor of the Exchequer announced a £30 million Changing Places fund to increase the provision of changing places and toilets in public buildings. Those are just a few examples. Furthermore, I know that many businesses in the private sector also provide excellent services to disabled customers. There are some standout examples, such as Eureka! The National Children's Museum in Halifax and the Titanic exhibition in Belfast.

Jim Shannon: The hon. Member for Stroud (Siobhan Baillie) mentioned Disney World and Universal Studios in Florida as two examples where they enable profoundly disabled children in wheelchairs to travel. I have seen that when I have been there. Has the Minister had the opportunity at short notice to ascertain whether we can do that? If they can do it in America, we can do it here.

Nigel Huddleston: I thank the hon. Gentleman for his intervention. Prior to becoming a Member of Parliament, I worked in the tourism, hospitality and leisure sector, working with theme parks around the world, including the major theme park operators in the US and elsewhere.

There are leading global best practices and, to be fair, we have some in the UK. We should not belittle the progress that has been made, but we see with incidents, such as those mentioned by my hon. Friend the Member

for Stroud, that we have further progress to make. We all need to learn from the best practices and there are outstanding examples throughout the world that we should learn from. Here on our own shores, with Halifax and the Belfast Titanic exhibition, we do already have some fantastic examples, but it is not consistent and it is not everywhere.

I know that many businesses wish to make further progress. There are also many charities, social enterprises and not-for-profit organisations doing great work in the area as well, such as Nimbus Disability and the Family Holiday Association. Despite all that activity, there is more to do and I am keen to look at the issue of accessible tourism in more detail. I will raise the issue directly with Merlin, the Association of Leading Visitor Attractions and other relevant tourism bodies, which I meet regularly as part of the Tourism Industry Council. I will be happy to facilitate further meetings with those bodies with my hon. Friend directly.

As we make further arrangements to make venues, attractions and other sites, such as sports stadiums, covid-secure, it is also important to ensure that they are accessible for all. I know that the sports sector is considering how to improve accessibility in sports stadiums, which was the topic of a recent report by the Digital, Culture, Media and Sport Committee when I sat on it.

The Government's ambition is to ensure that we all work towards an even more accessible tourism and leisure industry. As I said, the sector itself and the companies involved also realise their responsibilities in this area. Their purpose is to bring joy to people and families. We need to ensure that everybody is included in that. Although great strides have been made, there is still much more to do. I look forward to playing my part in ensuring that happens.

Question put and agreed to.

11.25 am

Sitting suspended.

International Fund for Israeli-Palestinian Peace

[Clive Efford *in the Chair*]

Clive Efford (in the Chair): I do not intend to read out all the instructions because there are not so many of us in the Room that we are over-spilling the horseshoe. Please clean your microphones and the area around them before and after use, and note the access and exit doors. We circulate around the Room. You can speak only from the horseshoe. I call Catherine McKinnell.

2.30 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I beg to move,

That this House has considered UK support for an international fund for Israeli-Palestinian peace.

It is an honour, Mr Efford, to serve under your chairmanship. I am pleased to have secured this debate as a recently appointed chair of Labour Friends of Israel and a member of Labour Friends of Palestine and the Middle East. During this very challenging period that we are living through, this debate today could not be more timely. The impending departure of the Trump Administration in January will provide an opportunity to reassert international consensus in favour of a two-state solution to the tragic conflict between Israel and the Palestinians. Britain should seize that opportunity by supporting the establishment of an international fund for Israeli-Palestinian peace.

The obstacles to a two-state solution are well known: settlement building by the Israeli Government, which threatens both the viability of the Palestinian state and, over the long term, the democratic character of the state of Israel itself; the actions of the Palestinian Authority, for example through its school curriculum, which threatened to instil hatred and violence in another generation of young people; and the refusal of terrorist groups such as Hamas, Islamic Jihad and Hezbollah to accept Israel's right to exist. The prospect of a two-state solution is threatened, too, by the growing belief among both the Israeli and Palestinian public that, even if desirable, it is no longer possible. Most worryingly, support for a two-state solution is weakest among Israelis and Palestinians under the age of 30.

Over the past 25 years, the high hopes of Oslo have given way to fear, mistrust and pessimism, and that pessimism is understandable. It is more than six years since the last serious and substantive effort to restart the peace process. Ultimately, the international community can facilitate a two-state solution, but it cannot impose it. Only direct negotiations between Israel and the Palestinian Authority, which will inevitably involve painful compromises on both sides, can bring it about. We should not, however, see the current hiatus and barriers to a two-state solution as a cause for inactivity and passivity. Instead, we should think creatively and boldly about how we can best foster an environment in which peace negotiations and a two-state solution might resume and succeed. We should consider how any future settlement can best be sustained. Although the two conflicts are very different in both their causes and their character, the example of Northern Ireland provides important lessons.

[Catherine McKinnell]

In the mid-1980s, during the darkest days of the troubles, when the prospects for peace and an end to violence seemed so distant, the International Fund for Ireland was established. Over the past three decades it has invested more than £700 million in peace-building work, bringing together nationalist and Unionist communities in more than 5,800 co-existence projects. That investment provided the vital civic society foundations that underpinned the drive towards peace in the 1990s. It provided widespread popular support for the Good Friday agreement, and then helped to sustain it through the many challenges that it has faced in the subsequent years. Northern Ireland's example teaches us that it is never too early to begin investing in and building constituencies for peace. In short, peacebuilding is a vital prerequisite to peacemaking.

Since the advent of Oslo, a plethora of grassroots groups that bring Israelis and Palestinians together have sprung up in a wide variety of fields—sports clubs for children and young people, as well as cultural interface and tech and environmental projects. There is now a strong evidence base from both academic research and government evaluations to suggest that such projects work. A 2019 academic study carried out for USAID—the United States Agency for International Development—which evaluated four programmes in which the US had invested found that, three to five years after their involvement, the project participants continued to hold positive feelings about those from the "other" side of the divide, had an increased belief that peace was possible and reported that their perceptions had been altered by the programme. That study reinforced an earlier USAID evaluation that suggested that those participating in people-to-people work had higher levels of trust and co-operation, more conflict resolution values and fewer feelings of aggression and loneliness.

USAID studies are supported by the findings of a 2017 report by Ned Lazarus, a professor at George Washington university whose work drew on 20 years of evaluation data and extensive field work. It found that peacebuilding projects create peacebuilders and constituencies for peace, change attitudes and create empathy and trust between the two peoples. For example, nearly one fifth of participants in a programme by the NGO Seeds of Peace went on to dedicate their careers to peace-building work, and 90% of participants in a Near East Foundation project said that they trusted the other community more after being on the programme. A programme led by Parents Circle-Families Forum found that 80% of participants were more willing to work for peace and 71% felt more trust and empathy towards the other community.

Despite widespread and correct recognition, and the importance of laying the economic foundations for peace, such civic society work has too often gone unacknowledged by the international community and it has suffered from huge under-investment. Indeed, thanks in part to cuts by the Trump Administration, international investment in people-to-people work has fallen since 2017 from an already pitiful £37 million a year to £26 million a year now.

An international fund for Israeli-Palestinian peace would provide that much-needed focus and investment to enable co-existence projects to operate at scale and to amplify their impact. Designed by the Alliance for Middle East Peace, a coalition of more than 90 Palestinian and Israeli grassroots organisations, the fund would seek to leverage and increase public and private contributions funding joint economic development and civic society projects that promote peace, co-existence and reconciliation between the two peoples. It would be an independent organisation, supported by public and private donors, and it explicitly does not seek to replace any support that would otherwise be provided either directly to the Palestinian Authority or to Israel. Its goal is ambitious—to raise levels of investment nearly tenfold to $200 million a year. Those contributions would come from the US, Europe and the rest of the international community, including the Arab world, and the private sector.

I commend Labour Friends of Israel for their tireless campaigning, which stretches back nearly a decade, to increase UK funding on co-existence and their work over the past five years in support of an international fund. Indeed, nearly four years ago I was delighted to join a cross-party group of sponsors who backed a Bill presented by the former Member for Enfield North, Joan Ryan, which called on the Government to promote the international fund for Israeli-Palestinian peace. Televised campaigning persuaded the Government in 2017 to establish a new three-year programme—People for Peaceful Change—which invested £3 million in co-existence work. It also succeeded in securing a commitment from the Government in 2018 to support the international fund, making the UK the first country to endorse this concept.

Sadly, however, the Government have allowed the People for Peaceful Change programme to lapse and with it the UK's investment in peacebuilding work in Israel and Palestine. The Government have also failed to follow up on their commitment to support an international fund, despite positive developments in the US, where the Middle East Partnership for Peace Act is expected to become law at the end of this year. This legislation, which passed the House of Representatives in July and is now progressing through the Senate, has strong bipartisan support and will establish a middle east partnership for peace fund. The fund will provide $110 million over the next five years for peacebuilding projects, with a new joint investment for peace initiative providing an additional $140 million in support to Palestinian-owned small and medium enterprises. The legislation not only provides two seats for international partners on the middle east partnership for peace fund advisory board but includes provisions that allow it to evolve into a new, truly multilateral institution. The arrival of the Biden Administration, together with the recent exciting moves we have witnessed in the middle east towards normalising relations with Israel, provides a huge opportunity which, if the UK is to live up to the Government's global Britain ambitions, we should surely seize.

In closing, will the Minister provide three undertakings today? First, will he meet me and other colleagues to discuss reinstating the UK's financial support for peace-building work and reinvigorating support for the international fund? Secondly, will he ask his officials to explore the possibility of the UK requesting one of two international partner seats in the new middle east partnership for peace advisory board? Thirdly, at the earliest opportunity after 20 January, will he discuss

with the Biden Administration how the middle east partnership fund for peace might evolve into a truly international institution?

This week marks the 35th anniversary of the signing of the Anglo-Irish Agreement which set in motion the establishment of the International Fund for Ireland and set us on the path to the Good Friday agreement. We know the transformative impact of peace-building work and we know we have seen it in Ireland. I urge the Government to draw on this experience and commit to establishing this international fund for Israeli-Palestinian peace.

2.41 pm

Theresa Villiers (Chipping Barnet) (Con): May I say what a pleasure it is to serve under your chairmanship, Mr Efford, and to be back in Westminster Hall after it was closed for so long. I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing a debate on this important issue.

Like the hon. Member, I welcome progress in the US Congress towards establishing a new international fund for projects to promote peace and reconciliation between Israel and the Palestinians. It makes sense in this context to reflect on some of the experiences in Northern Ireland, albeit that is a very different situation to the one that prevails in the middle east.

As Northern Ireland Secretary, I saw for myself the incredibly important role played by grassroots community projects aimed at bringing people together across historic and long-lasting divides. I saw how they helped to embed the peace settlement resulting from the Belfast Good Friday Agreement. Looking back in history, it is clear that they played a role in securing that agreement.

Over the years, we have seen groups such as the WAVE Trauma Centre, Healing Through Remembering, the Corrymeela Community and the Fitzroy-Clonard Fellowship. Such organisations cannot on their own resolve deep-seated conflicts—that requires political leadership from all sides. We have seen that from Israel, but sadly lacking from the Palestinian side. Grassroots groups of this nature, promoting peaceful co-existence, can be part of the momentum for peace and help to create the conditions in which political leaders feel confident to come together and find common ground and compromise.

Those Northern Ireland projects received support from many sources, including successive UK Governments, but also from the International Fund for Ireland, which has clearly provided inspiration for the ideas we are considering today. I certainly encourage the Foreign Office to deploy part of its aid budget to this new US-inspired international initiative on promoting projects aimed at securing peaceful co-existence between Israel and the Palestinians.

It is crucial that all funding, whether for this programme or others operating in the middle east, goes to worthwhile projects that are genuinely trying to bring people together. It is a concern for me and a number of my constituents that some UK charities and NGOs take a highly politicised and partisan approach to the middle east. For example, I have raised concerns about some of the activities in the past of War On Want with the Charities Commission. I hope those running any new fund will learn lessons from the problems that have beset existing aid programmes operating in the West Bank.

Just over 16 years ago, in my former role as an MEP, I first raised concerns about the abuse of aid money given to the Palestinian Authority. Those were the days of the flagrant misappropriation of cash by Yasser Arafat and his cronies—problems that, I am afraid, continue to some degree to this day.

I appreciate that successive Conservative Secretaries of State have tried to clean up the system. Those efforts were well intentioned and made a real difference. There are now far more effective controls to save taxpayers' money than there were in the past. The issue remains, however, that the UK makes substantial contributions to UNRWA, which distributes aid on the basis of perceived entitlement rather than humanitarian need and whose definition of "refugee" as passing down generations perpetuates division rather than bringing people together.

I accept that UK aid money, thankfully, does not fund extremist or antisemitic curriculum content, but it does pay the salaries of teachers who use such materials. Thankfully, UK aid does not fund the appalling salaries paid to terrorists, but salaries were increased dependent on the number of Israelis killed. I am worried that while, thankfully, our taxpayers' money does not go directly to fund these salaries, it indirectly enables such payments by the PLO by releasing money that otherwise would have to be deployed to cover the costs of the salaries of public sector workers that are currently met by the United Kingdom taxpayer.

Whether it is a new international fund for peace between Israel and the Palestinians or the UK's existing programmes to support the Palestinian Authority, I urge the Minister to ensure that taxpayers' money is always rigorously scrutinised and spent only on projects to bring people together rather than push them apart and on projects working for peace and not perpetuating conflict.

2.47 pm

Conor McGinn (St Helens North) (Lab): It is a pleasure to serve under your chairmanship, Mr Efford, and I congratulate my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on securing the debate. It is a particular pleasure to follow the right hon. Member for Chipping Barnet (Theresa Villiers). I knew her before coming to the House and I have worked closely with her on Northern Ireland matters since being in the House.

It is poignant that the debate is taking place so soon after the death of Saeb Erekat, Secretary General of the Palestine Liberation Organisation. He was firmly committed to his people's rights, unwavering in his pursuit of a just peace, and committed to a two-state solution.

It is cause for optimism that the debate is taking place in the shadow of the election across the Atlantic. We cannot underestimate the significance of that, and if, like me, you believe in the ability of the United States to lead and be a force for progress in the world, you will share the hope that this will mark a new approach to its role in the middle east, particularly in using its influence to re-establish the basis for a lasting peace between Israel and Palestine.

If the last four years show anything, it is that you can be a friend to a country and its people without supporting its Government. I have felt like that about the United States and Israel. In fact, I have felt that, to be a good friend, you have had to oppose their respective

[Conor McGinn]

Administrations, while continuing to advocate the development of strong links and co-operation between our countries and peoples.

The dire state of political relations and the breakdown of relations—the unilateralism and illegality of occupation, settlements and annexation and its effect on the Palestinian people, and the continued terror, threats and denial of Israel's very right to exist—should not mean that we allow inertia, let the UK's response and involvement be set by the recalcitrant, or abandon our role in the historic mission to find a just and lasting two-state solution.

A fund for Israeli-Palestinian peace is one such way in which the world can provide tangible support for advancing the cause of peace and improving the lives of Israelis and Palestinians. As the Alliance for Middle East Peace says,

"With the suspension of coordination between the Palestinian Authority and Israel, civil society is one of the only remaining channels for cross-border contact between Israelis and Palestinians. This places an undue burden on peacebuilding organisations".

This work is vital and dangerous. Earlier this year Hamas arrested Rami Aman, a peace activist in Gaza, and seven other Palestinians for taking part in a Zoom call with Israelis. Hamas said that it amounted to a

"betrayal of our people and their sacrifices",

and that any joint activities, co-operation or dialogue with Israelis is unacceptable—just because ordinary people wanted to talk to each other about their lives. I am pleased that Rami Aman was released from prison a few weeks ago, after spending six months there awaiting trial. It is another example of how Hamas, far from advancing the cause of Palestine, is through its violence and intransigence, hindering it.

The peace fund proposal is to increase public and private contributions worldwide, funding joint economic initiatives and civil society projects that improve social and economic conditions in Israel and Palestine. Following a successful campaign spearheaded by Labour Friends of Israel—I pay tribute to them for the work they do alongside colleagues in Labour Friends of Palestine and the Middle East—the UK Government provided £3 million of funding for a project that ran from May 2017 to March 2020, as outlined by my hon. Friend the Member for Newcastle upon Tyne North. It is a shame that the funding has ceased and that the Government have stopped that support for people-to-people work.

I hope the Minister will recognise that consistent investment to enable programmes to achieve long-term results is vital to the success of coexistence work. It cannot be a tap that is turned on and off; it must be sustainable, because without sufficient funding, from either Governments or private philanthropy, coexistence projects can currently have only a limited impact. Operating at scale and properly funded, however, they could help to build powerful constituencies for peace in Israel and Palestine, forcing leaders in both countries to return to meaningful negotiations and provide the vital civic society underpinnings for any future agreement.

The main inspiration for that is, of course, the International Fund for Ireland, which was put in place by the Irish and British Governments after the 1985 Anglo-Irish agreement, which, as has been said, celebrates its 35th anniversary this week. The objective of the IFI is to promote economic and social advance in Northern Ireland and the border counties and to encourage contact, dialogue and reconciliation between nationalists and Unionists throughout the island. The fund has done enormous work across Northern Ireland and in border areas for over 40 years, evolving its activities over time, but always focused on cross-community reconciliation, with over £750 million in funding being generated over the last 44 years.

The fund effectively resides with the Irish and British Governments, but crucially it has an independent board. People on all sides trust it. It has no political agenda; its only agenda is peace and reconciliation. It was originally funded by the United States, the European Union, Canada, Australia and New Zealand. That international support gave it further credibility, and all those countries still have observer positions on the fund's board. The Irish and British Governments have also re-dedicated themselves to continuing the funding through the "New Decade, New Approach" agreement. Importantly, the board of the fund is scrupulously objective in how it decides which project to support. Its composition is evenly divided between the nationalist and Unionist communities and includes members from border counties in the south. These symbols of balance and even-handedness matter.

The lessons to be learned for any Israel-Palestine fund are almost all good; the even-handedness dimension is the most important. In that spirit, the International Fund for Ireland has for some years now made itself available to share experience and knowledge with organisations promoting reconciliation in other locations, including in Israel and Palestine. I know that Paddy Harte, the new IFI chair, is committed to this work, and I urge the Government to use his expertise and that of the board.

For me, peace must fundamentally be built on equality, opportunity and partnership. The international community cannot do all of those things, but it can help to create the conditions for them. I hope that we will be able to play our part.

2.54 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): It is good to see you in the Chair once more, Mr Efford.

I thank my hon. Friend for Newcastle upon Tyne North (Catherine McKinnell) for securing the debate and for an excellent speech. Like others, I believe that an international fund for Israeli-Palestinian peace would aim to help any future peace process by promoting co-operation, dialogue, joint economic development and reconciliation between Israelis and Palestinians. As the chair of Labour Friends of Israel, I am delighted that we are able to have this debate today; this is something we have argued for for some time.

It is important that the concept of an international fund, as we have heard, has been designed by the Alliance for Middle East Peace, because it is an independent organisation with extensive experience in this area. Therefore, I think some of the concerns raised by the right hon. Member for Chipping Barnet (Theresa Villiers) about other group initiatives would not apply here, because ALLMEP has an almost impeccable record in this field.

Like my hon. Friend the Member for St Helens North (Conor McGinn), I am pleased that the UK became the first country to endorse the concept of an international fund when, in 2017, it introduced the People for Peaceful Change project after lobbying from LFI and others.

Theresa Villiers: There have been several mentions of LFI, and I welcome the work that has been done on promoting the idea of funding peaceful co-existence projects. However, does the hon. Gentleman not find it sad that the leading MP who championed this idea, Joan Ryan, then MP for Enfield North, felt so intimidated and bullied by people in the Labour party, especially on the antisemitism issue, that she actually had to leave the party? We cannot ignore that significant problem within the hon. Gentleman's party when referring to the LFI.

Steve McCabe: I am grateful to the right hon. Lady for that, because it is probably as well to clear this issue up once and for all. LFI battled through the whole of the crisis of antisemitism in the Labour party, and I certainly do not want to in any sense pretend that it did not happen or that it was not a dark stain on our history. What I would say about my former colleague Joan Ryan is that I am immensely grateful to her for the work she did during that period. I hope that the changes that Labour is experiencing under a new leadership will herald the day when someone like Joan will feel perfectly comfortable sitting alongside me once more.

While I welcome that UK Government programme, it is important to acknowledge that, astonishingly enough, the UK Government had spent nothing on supporting co-existence projects prior to that programme. The US bipartisan and bicameral proposals, the middle east partnership for peace, is now making real progress. It aims not just to grow economic development, but to tackle the incitement and dehumanisation that has plagued both sides of this conflict. The legislation establishes a fund to improve economic co-operation and people-to-people exchanges. I think that is how we breathe life into the two-state solution. ALLMEP should be congratulated on its success in building an enormous, unprecedented coalition of support, making the fund one of the only bipartisan Israel-Palestine priorities in Congress.

In February 2018, the then Middle East Minister Alistair Burt announced the UK's support for the concept of an international fund. However, since then the Government have failed to follow up on their warm words. The Biden Administration now present a huge opportunity for the UK to seize this moment and play a crucial part in this multilateral initiative. Our experience in development finance and in Northern Ireland means that we are ideally placed. We have heard about how we could claim one of the two international seats and use our experience to good effect.

This September, in response to a parliamentary question about plans to allocate funding to support the US fund, the Minister for the Middle East and North Africa said:

"We welcome efforts towards peace…We will continue to monitor the People-to-People Partnership for Peace Fund"—

as it was then known—

"as it progresses through the US legislative system."

It is making great progress. Let us act now, to show that we are determined to get involved. Without funding from Governments and private philanthropy, co-existence projects can have only a limited impact but, operating at scale and properly funded, they can build powerful constituencies for peace, forcing politicians to return to meaningful negotiations.

As we heard from my hon. Friends the Members for Newcastle upon Tyne North and for St Helens North, Northern Ireland has shown that this work can provide vital underpinnings for any future agreement. That civil society dimension of peacebuilding is about practical politics, building and embedding public support for any future agreement and ensuring that it can weather the challenges ahead. Just as we found in Northern Ireland, broad-based popular support is a prerequisite for any successful peace process.

The International Fund for Ireland spent about 8% more per head daily than is currently available for grassroots co-existence work in Israel and Palestine. Over the two decades since the signing of the Oslo accords, a growing network of NGOs has worked at grassroots level to foster values of co-existence, peace and reconciliation. The international fund would bring together public and private donors, nations, corporations and private foundations and individuals. It would focus work on supporting joint initiatives and co-operation between Israelis and Palestinians and between Arabs and Jews. As my hon. Friend the Member for Newcastle upon Tyne North said, it would lead to empowerment, civic activism and a host of other activities. It is envisaged that that $200 million per year fund would receive contributions from the international community, including the Arab world, but importantly it would be independently managed and additional to any existing support already provided directly to either the Palestinian Authority or Israel.

This work is more critical than ever because, as elsewhere in the world, Israel is suffering the economic as well as health consequences of the pandemic. It is about to enter its first recession in more than two decades. The economic crisis in the west bank is even deeper, as it was already in recession. The Palestinian economy has shrunk by an estimated 7.6% during the pandemic, pushing an existing recession into a deep depression. This raises the prospect of increased tensions, which suits those who have no investment in building for peace.

The peacebuilding sector provides essential services to many communities, but it is dependent on global donors and support from foreign Governments. We must develop greater co-ordination among major funders so that donor states improve their efforts with regard to civil society. Increased co-ordination will lead to a more efficient and effective use of resources, as well as opportunities for cross-pollination and deeper partnerships. That is why this international fund is so important and why this country must play a leading role.

As we have heard, there is a growing body of evidence showing the benefits of co-existence projects, even though most of this work has been achieved in the face of considerable challenges, most notably the collapse of the peace process and the second intifada.

Four years ago, Labour Friends of Israel was proud to launch its campaign "For Israel, For Palestine, For Peace" in pursuit of the very international fund that is now within our grasp. I acknowledge the important intervention of the British Government with the people for peaceful change fund, but I urge the Minister to build on that today by confirming that we will play a leading role in supporting this international fund.

3.5 pm

Nicola Richards (West Bromwich East) (Con): It is a pleasure to serve under your chairmanship, Mr Efford, and I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this important and timely debate.

As the late, great former President of Israel and Nobel peace laureate Shimon Peres said,

"we should use our imagination more than our memory".

His words ring truer today than ever before, as progress in Israeli-Palestinian peace negotiations has stalled, despite genuine efforts over the years to secure a two-state solution.

It was revealed last week that His Royal Highness the Prince of Wales placed a private donation to the Peres Centre for Peace and Innovation, an organisation founded by President Peres. This is excellent news, and it is not difficult to see why His Royal Highness was so impressed by the organisation's indispensable work, including programmes that pave the way for mutual understanding between all of Israel's citizens and for a lasting peace between Israel and its neighbours.

I join others today in calling on the UK Government to support the new people-to-people partnership for peace fund. I recall that the former Minister for the Middle East, Alistair Burt, endorsed the initiative a few years ago, and I sincerely hope that the Minister today will take this opportunity to reiterate the UK's support.

The UK is rightly regarded as a world leader in the field of international development, and British taxpayers would, I am sure, take great pride in knowing that our aid is going directly to those on the ground in Israel and the Palestinian Territories who are working every day towards establishing stronger inter-community relations. Following the creation of the Foreign, Commonwealth and Development Office, I can think of no better way to display the UK's newly stated commitment to use our international aid to advance our foreign policy goals. An outward-looking global Britain should be at the forefront of multilateral efforts to promote peace and co-existence, which lay the groundwork for a much sought after peace deal.

Beyond the region, our investment in the US Middle East Partnership for Peace Act, which is working its way through Congress with widespread bipartisan support, would send a clear signal to the incoming Biden Administration that the UK believes in its multilateral approaches to making the world a better place. It offers a welcome new channel for co-operation with our closest ally. This new vehicle for delivering aid directly to peaceful co-existence programmes, as well as supporting investments to small and medium-sized Palestinian-owned enterprises, promises to transform the region.

In recent years, the UK Government have begun to realign their aid to the Palestinian Authority away from donations to its general budget—which led to widespread misuse of aid, including the reprehensible payment of salaries to convicted Palestinian terrorists—and instead towards paying the salaries of specifically vetted healthcare and education civil servants. DFID's announcement a few years ago of a further £3 million fund for co-existence projects marked a further step in the right direction, following growing concerns over aid abuses by the Palestinian Authority.

Constructive dialogue is possible. At the start of the covid-19 pandemic, we saw extensive co-operation and co-ordination between the Israelis and Palestinians, developing shared solutions to the problems jointly faced. I myself have visited the region and have seen the positive work in bringing both sides together. This international fund offers a viable pathway forward to ensure that aid goes directly to projects that bring Israelis and Palestinians together, all of which is overseen by a transparent system of scrutiny and review. It is a path that we must seize and support.

3.9 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady for—I just need to find it—Newcastle upon Tyne North (Catherine McKinnell). Sorry for not knowing her constituency; I should know it very well, so apologies for that hesitancy. It is also a pleasure to follow the hon. Member for West Bromwich East (Nicola Richards) and to hear all the other contributions.

In her former role as Secretary of State for Northern Ireland, we had occasion to invite the right hon. Member for Chipping Barnet (Theresa Villiers) down to my constituency, and we can all marvel at how Northern Ireland has changed. I am a recipient of that, because my attitude has changed as well. I now look back on all those years. My hon. Friend the Member for St Helens North (Conor McGinn)—he is my hon. Friend—comes from a different part of the country and probably from a different tradition as well. None the less, we can both see how Northern Ireland has changed. And that happens only if people make the effort—only if people decide in their own mind that they want to change.

I was just sitting here when the hon. Member for Newcastle upon Tyne North referred to the Anglo-Irish agreement; the Belfast agreement has also been mentioned. I can remember exactly where I was in 1985. I was out on the streets—fact of life—protesting against an agreement that sold us short; I was making my point. Along with thousands of other people, I felt quite agitated—I am trying to pick my words very carefully—about the whole thing. There was a pathway of change that came to us.

I got married and had my children, and I can remember the first Orange parade that was stopped in Drumcree in Portadown. I remember very well what I said to my wife, Sandra, as I left that morning. I genuinely felt that I was on a train that had left the station and I could not get off it. That was how I explained it to my wife; I am not sure whether she really understood what I was trying to tell her. I was trying to tell her that we were on a road going in a certain direction and I did not think we could stop it. That was where we were at that time; it was a very difficult time.

As it turned out, Chief Constable Flanagan let the people walk down to Drumcree. I think that defused the situation and was for the best, because I genuinely did not think that we were ever going to come home from Drumcree—or we might come home in a very different position from the one we were in when we first left. As I said, that defused the situation.

I just want to say that I can really see the benefits of understanding. I supported Dr Paisley. Not all my party did, but I did, because of what I realised at that stage. When I came home from Drumcree, I said to my wife, "Sandra, you know something? I think we've got to look at things slightly differently. I think we've got to

find another way. I understand that the nationalists have a very distinct constitutional position. I have a very different position as a Unionist, but we've got to find a way forward. We've got to find a way forward for my boys and for all the other wee boys and girls across the whole of Northern Ireland." And I think we found that way to take things forward.

When Dr Paisley and Martin McGuinness got the Assembly up and running, I supported them wholeheartedly, and the rest of my colleagues then came round and started to see the benefits of what we were doing. That happened only because, ever mindful that constitutionally we were so far apart, we were prepared at least to enter into some discussions together.

I am going down through the years here, Mr Efford, and my apologies for doing that, but I remember I was on the Committee for Culture, Arts and Leisure—this is a true story—and the chair of that committee was of a different persuasion from me. When it was over, I went up to him, shook his hand, told him who I was and said to him, "You know something? Constitutionally, you will always want a united Ireland, but as a Unionist I will do my darnedest to make sure you don't get it." Barry McElduff was the chair of the committee, by the way. And I said to him, "But when we are here, your people and my people will want the same things, so how do we make that happen?" I said, "I'm going to recognise your position as chair and I hope you give me a chance to participate in the debates"—as if he could stop me, by the way. But he was very kind and we got on well, although we were from two totally different traditions. I am waffling a wee bit, so I apologise for that.

The process in Northern Ireland was supported financially and physically by the EU, the USA and across the world. By the way, I met Michel Barnier in Brussels—I think it was last year—and at that time he was able to tell me all the places in Northern Ireland where EU funding had got to. I had had a different opinion of Michel Barnier—I am speaking as a Brexiteer now—and I remember that when I came home and told my colleagues about meeting him, I said, "Guys, I don't know how to put this to you, but he's quite knowledgeable and he's not a bad man, you know." I think I could almost see the daggers coming from all my colleagues at that time, but I said, "I'm just telling you, observationally." He made things happen.

I have been a friend of Israel for many years, in both the Northern Ireland Assembly and Westminster. My leader here, my right hon. Friend the Member for Lagan Valley (Sir Jeffrey M. Donaldson), has been chosen to be a speaker in many places. He has spoken in Palestine and Lebanon, in South Africa when the process was taking place there, and in Colombia and South America.

Peaceful co-existence projects between Israelis and Palestinians lay the foundations for a lasting two-state solution, which I fully support. Such projects include Save a Child's Heart, which provides life-saving heart surgery for children from the developing world and the Palestinian territories. It recently conducted its 5,555th surgery—wow, isn't that fantastic? It is incredible that that can happen.

Whether we like him or not, we cannot ignore the fact that President Trump was the instrument of the Abraham accords and he did move things on. We also have to recognise that Joe Biden has won the election and perhaps US influence will, hopefully, change as well.

Regrettably, some Palestine participants have been criticised—including when Prince Charles gave a private donation, as the hon. Member for West Bromwich East mentioned—for taking part in activities that normalise relations with Israel. If we do not normalise relations, we do not move forward. We have to do that.

In 2017, the Department for International Development announced unprecedented funding of £3 million towards peaceful co-existence. Again, I ask the Minister: is there any chance that money could be added again? A statement published by the Department said—I am coming to a conclusion, Mr Efford, and am conscious that two other Members want to speak—that the partnerships

"will bring together Israelis and Palestinians to cooperate on issues which can have a positive impact on social, political and economic life".

That project ended in June 2020. It had a health pillar, a religious pillar and a youth pillar, which involved Israeli, Palestinian and Jordanian health officials doing an exercise simulating a collaborative response to a potential cross-border infectious disease outbreak. How good it was to have that.

The religious pillar brought together some 1,219 young Israelis and Palestinians who took part in holy site tours aimed at increasing understanding of religious tolerance. It did not make any person less a Jew or less a Palestinian. It did not change their religious opinions, but it brought them together to understand that people of a different religion can have that religion. As chair of the all-party parliamentary group for international freedom of religion or belief, I say that every day—Members here will know that, and it is where we should be coming from.

The youth leaders' groups, women and political, business and community leaders participated in workshops and built the capacities—it is really important to have the capacity built in these communities—to identify opportunities to improve peace in local communities.

We all say we want peace in the middle east, but we need to put money into the right projects to achieve it. I look forward to hearing how we can move things forward in this House to bring real reconciliation, as I believe there can be, in Israel and Palestine.

3.17 pm

Christian Wakeford (Bury South) (Con): I apologise for being late to this debate; unfortunately, I was serving on a Delegated Legislation Committee at the same time. I thank the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) for bringing forward this incredibly important debate. I refer right hon. and hon. Members to my declaration in the Register of Members' Financial Interests, because earlier this year I went to Israel and the west bank on a fact-finding mission through Conservative Friends of Israel. It is a pleasure to follow the hon. Member for Strangford (Jim Shannon) for the first time. He made some very poignant points. I think he must have read my speech, because I will echo some of therm.

I join colleagues from both sides of this Chamber in supporting the international fund for Israeli-Palestinian peace, and I echo calls for the Government to take up one of the available seats on the board. For many years, we have heard concerns raised by UK taxpayers that their aid is perpetuating the conflict rather than helping to resolve it. This year we have given £51 million to the

[Christian Wakeford]

United Nations Relief and Works Agency, which delivers aid to recipients who meet problematic criteria based on entitlement rather than humanitarian need. UNRWA uniquely extends refugee status beyond the UN's 1951 refugee convention, to all descendants of Palestinian refugee males.

Although UNRWA carries out important work, including the provision of healthcare and education, defining its recipients as refugees sends a troubling message to Palestinians living in the west bank and Gaza that they have a right to relocate to Israel. This undermines the viability of a two-state solution and runs counter to our policy on the middle east peace process.

We fund the salaries of teachers who use the official Palestinian Authority curriculum, which teaches Palestinian children that Israel's existence is merely temporary, and which promotes violence against Israelis and Jews. Our aid frees up funds for the Palestinian Authority to pay salaries to convicted terrorists, with higher salaries paid to those who have killed more Israelis. I could go on, but the points have been made time and again, and have been made already in the debate. The PA has not made the changes we have called for, and that leaves the international community with no choice but to rethink its strategy. Peace is essential to prosperity for both Israel and Palestine.

The international fund that is being discussed today would be a step in the right direction. Peaceful co-existence projects lay the foundations for a lasting two-state solution, making peace more likely. Yet in the past some Palestinian participants have been criticised, even by leaders in the Palestinian Authority, for taking part in activities that normalise relations with Israel. Does the Minister agree that that is counterproductive, and that we must urge the PA to facilitate such projects, not oppose them?

I visited Israel and the west bank in February, as I said earlier, and was stunned by the incredible entrepreneurship and ambition in the region, despite the challenges of the conflict. Meeting young Palestinian businesspeople at an intelligence start-up in Ramallah was an eye-opening experience. It was clear that, like many young people, they have ambition and strive for success and growth. They seek peace, recognising that conflict restrains expansion, but they have achieved what they have in spite of the political leadership, not because of it. We also made an inspiring visit to MATI, the Jerusalem Business Development Centre, in East Jerusalem. The centre helps Arab women to set up and expand their businesses, as well as providing mentoring and training for job interviews. The deputy Mayor of Jerusalem, Fleur Hassan-Nahoum, is doing phenomenal work supporting job creation and organisation through the work of MATI.

We visited the Israeli charity Save a Child's Heart, as the hon. Member for Strangford highlighted, and met many children from the west bank and Gaza, and the developing world, who have received life-saving heart surgery free of charge. Palestinian surgeons are trained to carry out life-saving heart surgery by Israeli doctors, so that they can save countless lives back home. Every Tuesday, Palestinian children from the west bank and Gaza travel to Israel for the weekly cardiology clinic with their parents. It is the first time that many of them have met an Israeli in a positive setting.

Not only is that experience of having surgery life-saving; it creates a bond between people that cannot be broken. "They fought for my son's life. They gave us everything we needed. They are like family to me". Those are the words of the mother of Mahmad, a two-year-old Palestinian boy from Gaza whose life was saved by the charity earlier this month in its 5,555th procedure. Does the Minister share my view that the UK should be supporting that incredible work? Will he join me in congratulating Save a Child's Heart on reaching that epic milestone? Does he agree that such interactions truly lay the groundwork for future peace? Joining the international fund for Israeli-Palestinian peace as a board member will massively increase our capacity to support peacebuilding efforts such as Save a Child's Heart, and I urge the Minister to consider doing so.

I conclude by pointing out that there have been many positives but also many negatives in relation to UNRWA, which have been discussed many times in this Chamber, including in today's debate. We as a nation cannot fund antisemitism in a foreign nation while we try to stamp it out in our own society, so while we continue to fund UNRWA we need to make sure that it is reformed.

3.24 pm

Owen Thompson (Midlothian) (SNP): It is a pleasure to serve under your chairmanship, Mr Efford. I echo the congratulations that have been given to the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing the debate.

I welcome efforts to establish the multilateral international fund to help build a lasting Israeli-Palestinian peace. Anything that helps to bring countries together and focuses hearts and minds is a positive step, although we have to recognise that there are clearly other issues that need to be addressed on the ground to get things moving in that direction. I would certainly welcome diplomatic support from the FCDO to help establish the fund and ensure buy-in from the other nations, too. As we have heard from other Members, a very similar fund was established to help bring peace in Northern Ireland, but according to the Alliance for Middle East Peace, £1 billion was spent on those efforts over two decades. That is almost 10 times the amount that has been spent on similar efforts between Israelis and Palestinians to date.

Of course, the concerted efforts that brought results in Northern Ireland remain a beacon of hope for all of us. For those who grew up in that time, nobody could have imagined they would ever see Ian Paisley senior and Martin McGuinness not only sharing power, but being friendly and having a rapport together, earning themselves the nickname of the "chuckle brothers". I sincerely hope that hard-won peace is not undermined by the reckless Brexit actions that the Government are currently undertaking, and that the UK belatedly recognises the importance of sticking to international law, for chaos falls when Governments unilaterally decide which international laws to follow and which to simply ignore, as we have seen in the middle east.

Like my Scottish National party colleagues, I speak as a friend of Israel, but a critical one. I absolutely understand and support Israel's right to defend its territory against aggressors where there are undoubtedly threats from militant factions in Palestine, but I cannot support actions that undermine international laws by

extending territories beyond internationally agreed boundaries, such as the 53-year-old Israeli occupation of the west bank. I cannot support actions that impose such brutal living conditions on a civilian population in Palestinian territories and cut off access to vital healthcare, albeit I am very impressed by the programme outlined by the hon. Member for Bury South (Christian Wakeford), which sounds like a step in the right direction.

I hope that now that a new President is on the way in the United States, there may be a chance for some reflection, and for the de-escalation of tensions that could permanently threaten the viability of a two-state solution by continuing to erode Palestinian rights. I welcome the fact that the Israeli annexations of the west bank have been put on hold through the signing of the Abraham accords. It is also positive to see some progress in normalising the diplomatic relations between Israel and the surrounding Arab states of Bahrain, Sudan and the United Arab Emirates, but at what cost? As with everything in the region, there is a more nuanced and complex story behind the smiles and warm words of these agreements, and much more to be concerned about than the top line of a story might suggest.

Although these accords were, in principle, supposed to halt further occupation and annexation of occupied territories, they contravene the terms of the 2002 Arab peace initiative, in which the establishment of an independent Palestinian state was given as a precondition for full, normal relations with Israel. This deal may have put further annexation on the back burner for now, but it has not removed the threat. It also disregards existing breaches of international law in occupied territories and Palestinian sovereignty rights, which could have major implications for reaching any lasting settlement between Israel and Palestine. Khaled Elgindy, a political analyst and author on the conflict, wrote,

"As many of us have argued from the start, Arab Gulf states' normalization with Israel is not about normalizing bilateral ties as much as they're about normalizing Israeli occupation & the settlements."

That cannot be allowed.

We also know that settler violence and the forced displacement of Palestinian people in the occupied west bank has continued. On the night of 4 November, as the eyes of the world focused on the US election, 70 more Palestinian structures were demolished by Israeli forces in the Bedouin hamlet of Khirbet Humsah, making 74 Palestinians, including 41 children, homeless. Forcibly confiscating land and demolishing homes is not the way to make peace a realistic option. This has to be stopped.

The diplomatic role the UK has played in harbouring peace should not be undermined by continuing to sell arms that may be used in unlawful killings by any regime, whether friend or foe. The UK has massively increased the sale of arms to the Israel Defence Forces at a time when there has been rightful international condemnation of indiscriminate airstrikes and credible reports of unlawful killings, including of children and medics. The human rights record of Israel against Palestinians is woeful, and the UK should not turn a blind eye to its potential role in supplying these weapons. Arms sales should be suspended until all such reports of human rights violations are independently investigated.

I know that the term "ethical foreign policy" went out of fashion with the late Robin Cook, but it is certainly time that we brought it back, for without that, what do we stand for? I want Scotland and the UK to be a force for good in the world, not an enabler of human rights abuses. I am sure everyone in this House is united in wanting to see progress towards sustainable peace and stability for both the people of Israel and the people of Palestine, based on mutual recognition and the rule of law. I hope the proposed fund will help those efforts, but it is not in itself enough to move things beyond warm words.

The UK has an important diplomatic role and responsibility in the region, so I look forward to hearing from the Minister about any measures being brought forward. Recognising the issues on the ground for the people of Palestine and speaking out against human rights abuses, without fear or favour, is central to helping progress to a meaningful, sustainable peace that can meet the aspirations of all.

3.30 pm

Wayne David (Caerphilly) (Lab): It is a pleasure to serve under your chairmanship, Mr Efford. I begin by congratulating my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on securing the debate and on giving such a clear exposition of her case.

We have had a very good debate this afternoon. It is also important to stress that the debate has not only been good but it has been conducted in the right kind of spirit. That is so important when we talk about the emotive issue of Israel and Palestine. We need to have mutual respect among ourselves and understand that it is a complex issue that requires sensitivity and understanding.

One thing that unites most people in this House—certainly in this Chamber—is that we believe in the two-state solution. That is the only way to bring real peace to Israel and Palestine. We need to recognise that a safe Israel alongside a viable Palestinian state can be achieved only through negotiation, and for that negotiation to be successful, there inevitably has to be give and take. It also has to be recognised that it is important to pay attention to the climate in which those negotiations can take place and their overall context.

That is why this debate is so important. It is vital to have co-operation between the Israelis and Palestinians in a daily, practical sense. It is important that they understand where each other is coming from. It is important that they respect each other and that there is reconciliation between Israelis and Palestinians.

It is important to recognise, as a number of Members have said this afternoon, that we have a great deal to learn from the experience of Northern Ireland. That was mentioned by my hon. Friend the Member for St Helens North (Conor McGinn) and the right hon. Member for Chipping Barnet (Theresa Villiers). The contribution this afternoon from the hon. Member for Strangford (Jim Shannon) was particularly moving, because he accurately talked about two traditions in Northern Ireland: the nationalist tradition and the Unionist tradition, historically a long way apart from each other with different histories. What is significant about the 1980s and 1990s is that people began to talk and to understand where each was coming from. Eventually common ground was found, and, hopefully, a secure way has been mapped out to have lasting peace in Northern Ireland.

[Wayne David]

I remember well the mid-1980s and the 1990s and the troubles. I was a Member of the European Parliament at the time and I remember talking to my good friend John Hume. John passionately believed in the need for a well funded international fund for Ireland. Through negotiation with others, he was able to establish that fund, which made a huge contribution towards bringing people together and establishing through civic society the very firm foundations for a Good Friday agreement. That fund in Northern Ireland—the International Fund for Ireland, as it was called—brought many people together, not just in Northern Ireland but from the southern part, too. It was the great unsung hero of the peace process.

From all of that, we have so much to learn. I believe that the fund we have been talking about this afternoon, in the context of Israel and Palestine, offers the way to take forward many of the principles underpinning that fund in Northern Ireland. We have heard about the international fund for Israeli-Palestinian peace, and hon. Members have accurately described the process in America, whereby the House of Representatives has approved legislation that is now progressing through the Senate. Significantly, the legislation has bipartisan support. It is not just Republicans or Democrats; people drawn from both parties in the United States are supporting the initiative. I, like other hon. Members, am hopeful that when the new Biden-Harris Administration takes office in January, it will take up the idea and make it a reality.

The fund is important because eventually it will become an institution—one that will have helped lay the bedrock for the peace process. However, it will not simply be an abstract institution. It will also be a fund that will encourage practical initiatives that bring people together. It will encourage entrepreneurship and—who knows?—it might even help the establishment of joint schools for the children of Israelis and Palestinians. It will provide spaces for people to talk about their common problems.

Theresa Villiers: The hon. Gentleman is very gracious in giving way. There is much that I agree with in his speech, but there is—sorry to use a cliché—an elephant in the room. He is a member of a party from which advocates for Israel such as Ian Austin and Ivan Lewis resigned their membership because saying anything in defence of Israel within the Labour party—a political party that they had supported for their entire adult life—was howled down and met with intimidation and antisemitism.

Wayne David: With all due respect, we are not talking about the internal politics of the Labour party here today. Frankly, we are talking about something far more important than that: we are talking about peace being established between the people of Israel and Palestinians. That is the important thing. That is not to underestimate what has been said about antisemitism inside the Labour party, but there is a time and place for everything. Today, we are talking about peace in the middle east and peace between the people of Israel and Palestine.

I believe that the fund, if it is established by the United States of America and others rally behind and support it, will be a huge step forward. However, I must say too that it is not an alternative to UNRWA funding but is something that must be introduced as well as that. It is not an excuse, as some people have suggested, for supporting settlements on the west bank. It is important to recognise that the fund is something quite different and it requires cross-party support from all good people who support peace in the middle east, coming together to find common ground.

I pay tribute, as a number of hon. Members have already done, to the Alliance for Middle East Peace. ALLMEP has being plugging away for a long time on this. At last, we are seeing real fruition coming about today and there is tremendous optimism. I must say that a lot of optimism is required from time to time in the middle east, but I believe the fund really offers that. All tribute to the alliance for championing that so consistently.

We are talking about the United States, but I emphasise that the fund must not be for the United States alone; we require multilateral international support. The Europeans have given support and the British can give support as well. It is vital that we do. There is a huge opportunity for the Prime Minister, when he talks about global Britain, to be proactive and to give the lead even to the Americans to encourage them to move forward quickly. I hope the British Government will be unambiguous and emphatic in supporting the fund as quickly as possible, but I want them to go further. I do not want only rhetoric from the Government; we are used to plenty of that. I want them to come forward and say that they want one of the two seats that will govern the fund when it is established. I also want them not only to say that will they support the Abraham accords that have been established between Israel, the United Arab Emirates and Bahrain, but to go further and say that the fund must be used for Arab support for such an initiative. That would be a huge step forward.

Finally, we all need to recognise that the fund will potentially make a huge contribution to peace. A lasting peace has to be seen as a process and not a single event.

3.40 pm

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (James Duddridge): It is a pleasure to serve under your chairmanship, Mr Efford, and a pleasure to be back here in Westminster Hall. Life can be a bit soulless when sitting in an office or a back bedroom making Zoom calls and so forth. This debate has demonstrated the value of physically being in the House. Perhaps you will thank Mr Speaker for facilitating that. I think all hon. Members would approve of extending that.

I am grateful to the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) for securing this debate and to everyone who has participated, including the groups. I particularly welcome her as chair of Labour Friends of Israel and as a member of other organisations. Vice-chair, I apologise; I am promoting her because of her talent, which is an easy mistake to make. I also apologise on behalf of the Minister for the Middle East and North Africa, who is not here today. He had a long-standing commitment to appear before a Select Committee, but it is a pleasure for me to represent Her Majesty's Government here today.

The hon. Member for Caerphilly (Wayne David) talked about how respectful the debate has been, and I would like to carry on in that vein, but it would not be

out of place for me to follow on from my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) and draw attention to the excellent work that Joan Ryan, Ivan Lewis and Ian Austin did in this Chamber. They were all friends across party lines, although I campaigned in Ian Austin's constituency to get him out of Parliament. I am happy with the robust nature of politics, but I know that really was not what happened. I know that there is a meeting going on as we speak to move things on slightly, but there clearly is a process for this type of debate, and engagement is a part of that process.

I echo the condolences expressed by the hon. Member for St Helens North (Conor McGinn) on the tragic passing of Saeb Erekat last week. He was a true champion of dialogue and of Palestinian rights, and his passing is a great loss to us all. Through you, Mr Efford, we pass on our thoughts and sympathies to his family and the people of Palestine.

The middle east peace process continues to be complex, as was demonstrated during this debate. There are sensitive issues that divide the House, although I am minded to report back to the Minister for the Middle East and North Africa the similarities in the contributions. They were not identical, but there were things that we agree on, as well as things that might divide us. The Government will remain active in looking for progress on peace in the region. We welcome, as others have done, the normalisation of relations between Israel, the United Arab Emirates, Bahrain and Sudan. The agreements represent a profound shift within the region, but we must now proceed in parallel with steps to resolve the underlying conflict.

My hon. Friend the Member for West Bromwich East (Nicola Richards) demonstrated that there is an opportunity for the FCDO to work together. I know there is some concern about the merger, but this situation is perhaps typical of where the FCDO can add more value as one rather than as two, because development and politics are so tightly fused as to be almost indistinguishable. If the matter is not moving forward, it is not because of political or development reasons.

There is much to be done to rebuild trust. The suspension of the threat of annexation was a welcome first step, mentioned by a number of Members, but it must be made permanent. It is vital that the Palestinian Authority resume co-operation with Israel and that the Israeli-Palestinian leaderships come together to pursue the pathway to peace. Her Majesty's Government believe that the two-state solution is the only viable long-term solution and the only way permanently to end the Arab-Israeli conflict, to preserve Israel's Jewish and democratic identity and to realise Palestinian national aspirations.

The Government are aware of ongoing discussions, specifically around the international fund for Israeli-Palestinian peace, which I understand, despite the slight contradictions of other hon. Members, the US Senate will consider in 2021. We know that there is considerable flux in the US system, and as parliamentarians we know of the complexities of other systems, so it might be slightly further away than was thought before the debate. The Government support the objectives of the international fund, but Members will understand that Ministers tend not to make announcements about future funding from the Dispatch Box or in Westminster Hall. I can confirm that we have no plans to commit financial support at this stage, but we will continue to engage with the Alliance for Middle East Peace. It and its 100-members have a strong relationship with the FCDO and officials.

I hear a very clear message that one of the rationales for involvement is to secure a seat. I think that the hon. Member for Newcastle upon Tyne North pressed me to commit officials specifically to providing advice, and when the decision point comes I shall be happy to do that. She also pressed me to promise the time of the Minister for Middle East and North Africa. As she knows, even in covid times he is omnipresent here and on Twitter. I do not agree, having made a contribution and agreed to have a conversation with him, to commit his time at this stage, but I am sure he will make himself open to discussion at the right juncture.

Members spoke of the importance of projects that seek to promote peace. The UK remains committed to the middle east and to the occupied Palestinian territories, providing a vital role in helping to improve the lives of Palestinians and supporting the commitment to maintain the viability of the two-state solution. Our ongoing work includes humanitarian support to meet immediate needs in Gaza, support to key services such as health and education in the west bank, promoting economic development across the Occupied Palestinian Territories, and helping to meet the needs of Palestinian refugees across the wider region. To give a concrete example, the UK Government are providing £20 million this year to support the salaries of teachers, nurses and doctors. That will help the Palestinian Authority to support their health workers, especially in their frontline battle against covid and in delivering life-saving medical services. I am conscious of the celebration of 5,555 operations. It sounds like excellent work is being done. I am not sighted of the programme, but I am happy to receive more information.

Jim Shannon: The Minister mentions £20 million being set aside to fund the salaries of teachers and doctors. Would it be possible to encourage those teachers and doctors to perform some cross-community work? It might be a small method of bringing people together. It is just a thought.

James Duddridge: I will speak later about people-to-people programmes in general. I am not sure what the opportunities are, and there are real sensitivities in education and other matters that the House has discussed, but I will certainly take away that suggestion.

Christian Wakeford: I fully appreciate that £20 million is going to fund teachers and healthcare workers, but part of the problem is the curriculum that is being taught. If we are funding teachers to teach that curriculum, we perpetuate the problem. If we are funding it, can we do some meaningful work in reforming the curriculum so that we can truly bring about peace?

James Duddridge: I am conscious that this has been the subject of a number of debates. There is no funding of textbooks and there is careful selection of teachers. There is also a review, through our European partners, of some of these issues. I am happy to engage with the hon. Member in more detail outside this debate.

The UK is also a key supporter of the United Nations Relief and Works Agency in providing aid and development assistance to the Palestinian refugees.

Conor McGinn: It is very good to hear about the UK Government's financial commitment to this work. Given that the role of global Britain is enhanced not just by the strength of its arguments and values but by the fact that it puts its money where its mouth is, does the Minister worry that continuing speculation about draconian cuts to the aid budget undermines the good work that is being done and gives rise to concerns about the sustainability of that work in the future?

James Duddridge: The UK is committed to spending its money on global Britain force for good development work across the board. I will not be led into a debate just before a fiscal event. We maintain a commitment and we want to be known as a force for good in the world. We want to punch great weight as global Britain, and the cash in the development budget is important to that.

Talking of cash, the £51 million provided through UNRWA has helped to educate about 500,000 girls and boys so far. It will pay to access healthcare for 3.5 million Palestinian refugees and create a social security net for more than 250,000 of the most vulnerable people across the region. In 2019, we also provided more than £16 million in humanitarian assistance to Gaza, supporting the health system, trauma care and emergency food supplies to more than 1.2 million people.

On the people-to-people programmes, hon. Members will intuitively know how civic activism and connections work. With other Members, I compliment the hon. Member for Strangford—you were very liberal with him, Mr Efford, for which we were all grateful—on the strong personal stories that he told about how one goes through pathways over time. I was amused to think that while the hon. Gentleman was on the streets, I was sitting my O-levels. It is good that he is passing on the baton of experience.

The people-to-people programme ended recently. It was a £3 million programme that brought together Israelis and Palestinians to co-operate to have a positive impact on communities and improve understanding between people on both sides of the conflict, and so build a basis for peaceful negotiation and resolution. The programme was also planned to have a research component that would inform any future work in the area. I will certainly speak to the Minister for Middle East and North Africa about contextualising that review with the requests from this debate and the opportunities through UNRWA.

We shall remain in close consultation with the United States and our international partners to encourage all parties to reverse negative developments on the ground, including by working regionally for peace and encouraging meaningful bilateral relationships. Ultimately, we shall succeed only when these are conducted by Israelis and Palestinians and supported by the international community.

Wayne David: Will the Minister give a commitment to at least explore the possibility of the United Kingdom putting itself forward to take up one of the two seats on the governing body of the new fund?

James Duddridge: I thought I had done that, but obviously not clearly enough. I will ask officials to look specifically at whether we should take one of those seats and at the timing of commitments. There is no point deciding late in the day that we do want to commit and that we would have liked a seat. There is a certain amount of timeliness. I sense that certain hon. Members are moving at the pace of the US, which I think will be slightly slower. However, I am more than happy to receive submissions on that and to pass them on to the Minister for the Middle East. I am happy to make that commitment, and I apologise that I was not clearer in terms of a commitment to see whether that would be advantageous and to do that at the right time.

To rebuild trust, we must see an end to detrimental actions on the ground. We consistently call for an immediate end to all actions that are likely to undermine the viability of a two-state solution. That includes terrorism, incitement, settlement expansion, the demolition of Palestinian property in the occupied Palestinian territories, including in East Jerusalem. The eviction of Palestinians from their homes causes unnecessary suffering and in all but the most exceptional cases is wholly contrary to international humanitarian law.

We are also concerned about further settlement advancements. Settlements are illegal under international law and damaging to peace efforts. The UK regularly urges the Government of Israel to end this counterproductive policy, most recently in an international statement alongside other international partners on 13 October.

However, we are also clear that Israel is a close friend, and it has many close friends in this Chamber, who reach out as part of friendship groups. The people of Israel deserve to live free from the scourge of terrorism and free from antisemitic incitement, all of which gravely undermines the prospects of a two-state solution, which is in everyone's interest.

My right hon. Friend the Member for Chipping Barnet talked about prisoner payments, and we have raised that at the highest levels with the Palestinian Authority. With that, I will resume my seat.

3.57 pm

Catherine McKinnell: I thank the Minister for that response. This debate is incredibly important and gives me great hope. The power of the possibility that this international fund holds is in the fact that it is not a party political issue. All parties have spoken in favour of working together for our shared ambition to build peace where currently that is a big challenge.

People-to-people work is not a fluffy afterthought. The civil society dimension of peacebuilding is about very practical politics. It is about how to garner public support for any future agreement and ensure that that agreement—the speech by the hon. Member for Strangford (Jim Shannon) was very powerful in this respect—can weather the challenges that it will inevitably face in the medium to long term. Peacebuilding is essential for peacemaking. Nobody believes that co-existence by itself is going to create that lasting peace settlement, but it is absolutely necessary to ensure that it will last. It is up to politicians and Governments to have the will to make difficult compromises and reach an agreement. Ultimately, it is the people who will sustain that peace, who will benefit and who will reap the rewards of peace, security and co-existence.

I look forward to the Minister conveying the specific asks that have been made: that we put ourselves forward for a seat on the international fund that the US is

leading, that we look at how we can contribute to it and be pioneers in leading this effort, and that we do so without delay.

Question put and agreed to.

Resolved,

That this House has considered UK support for an international fund for Israeli-Palestinian peace.

Integrated Rail Plan and High Speed 2

4.3 pm

Darren Henry (Broxtowe) (Con): I beg to move,

That this House has considered the integrated rail plan and High Speed 2.

It is a pleasure to serve under your chairmanship, Mr Efford. I am grateful that this important issue has been selected for debate. Like many Members of this House, I am a passionate advocate for social mobility, a fervent supporter of the levelling up agenda and wholly committed to securing a carbon-neutral future. There is no doubt that I am seized by this matter, as MP for Broxtowe, hoping to foster benefits from a High Speed 2 east midlands hub at Toton.

I entirely agree with the Prime Minister that we must build back better and invest in an infrastructure revolution to recover from the unprecedented challenges and economic pressures caused by the covid-19 pandemic. HS2 is central to fulfilling all those aims, connecting our great towns and cities, accelerating our recovery from covid-19 and creating a prosperous, productive economy. Although it is most welcome that phase 1 of HS2 is under construction and that the Bill for phase 2a is making its way through the House, I want to focus on phase 2b of HS2, the scope and delivery of which is currently under review.

I understand that the National Infrastructure Commission's rail needs assessment is being published this month and that the Government's integrated rail plan will follow in the next few months. On this point, it is essential that the importance of the eastern leg of phase 2b is brought to the fore.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I thank the hon. Gentleman for mentioning the eastern leg of the integrated rail plan. We have great representation in the room from the eastern leg. It stretches 500 miles from London to Aberdeen and Inverness, but in its current state it is sadly holding back the communities that it is intended to serve. That is why local authorities have come together to launch their Invest East Coast Rail campaign this Thursday. Will the hon. Gentleman join me in calling on the Minister to bring the Government's support for that campaign to the fore and to ensure that the east coast main line is absolutely key in their thinking about investing in future rail for this country?

Darren Henry: I thank the hon. Member for her intervention. It is quite right that the Government invest in dependable rail lines that are quicker to their destination.

The connection from Birmingham to Toton, in the east midlands, and to Chesterfield, Sheffield and Leeds must be delivered in full. The council and business leaders in my area, and indeed in the north, have raised serious concerns with me that the eastern leg of phase 2b might be scaled back.

Matt Western (Warwick and Leamington) (Lab): I congratulate the hon. Member on securing this important debate. Does he share my concern that, with the pressure of this pandemic and the subsequent costs, Government

[Matt Western]

finances are such that there will be real pressure on the delivery of capital projects, and that it would be worth having a debate in the main Chamber on these schemes?

Darren Henry: I thank the hon. Member for his intervention. They are certainly worthy of a debate, but we need to make sure that we make the argument for future prosperity and for the potential of the people of this country, and not just for spending in the short term.

Should that scaling back come to pass, it would be counterintuitive, short-sighted and, frankly, unacceptable to communities in the midlands that have suffered from decades of chronic under-investment. Indeed, over the past five years, the east midlands region has had the lowest total public sector capital expenditure per person on transport on two occasions: in 2016-17 and then in 2017-18. In 2018-19, the east midlands received around 4% of the total capital expenditure across the UK—the second lowest after only Yorkshire and the Humber.

Despite those statistics, I wholeheartedly believe that the Government are committed to righting the wrongs of inequality and to levelling up and investing in the legacy of a green transport network. In the midlands, the new hub station at Toton will create thousands of highly skilled jobs, spark a huge improvement in local transport links and establish the east midlands region as a centre of innovation and renewable energy generation. It will provide green, carbon-neutral travel for the next century. It must go ahead, as the Prime Minister and numerous other Cabinet Ministers have repeatedly promised. Critically, the case for levelling up the eastern leg is more pronounced than for any other section of the railway.

Jason McCartney (Colne Valley) (Con): I congratulate my hon. Friend on securing this important debate. He is passionate about the levelling up agenda, and not just for the east midlands. Does he agree that it will not just be the likes of Sheffield and Leeds that will benefit from the eastern leg and that towns in Yorkshire and the Humber, such as my local town of Huddersfield, will also benefit? Will he ask the Minister directly to commit the Government to deliver the east leg of HS2 on time, in full and at the same time as the western leg, to show their commitment to levelling up?

Darren Henry: I agree with my hon. Friend's point, which is central to my argument. Towns and cities in Yorkshire, such as Huddersfield, Leeds, Sheffield and others, are all part of our levelling up, as are towns in the midlands, because levelling up cannot be done in part; it must be done in full.

It concerns me to read reports that communities surrounding the eastern leg have suffered from lower productivity and less investment, and are home to a number of social mobility coldspots, compared not just with the UK average but with communities on the western leg of phase 2b, from Crewe to Manchester. I draw the Minister's attention to a recent study, "Mind the gap", which highlights those inequalities. It shows that, despite housing 23% of England's population, the east midlands is home to over 42% of England's social mobility coldspots. It outlines that children born poor in these areas are more likely to stay poor. They are less likely to gain qualifications, and they are isolated from opportunity. Crucially, these areas are almost perfectly aligned with those experiencing high levels of transport poverty.

To be clear, it is not the east versus the west. We need the whole of phase 2b to be delivered, but the evidence is clear that communities on the eastern leg cannot and must not be left behind. As part of the levelling up agenda, the Government have said that they want to reduce regional disparities in the country. I welcome that, and I agree with the Prime Minister that we must build back better.

It is key to emphasise that when we speak of levelling up we are speaking of not merely one sector but a cross-departmental effort to build back better. Again, High Speed 2 is central to fulfilling that agenda, connecting our great towns and cities, accelerating our recovery from covid-19 and creating a prosperous, productive economy.

Tom Randall (Gedling) (Con): I congratulate my hon. Friend on securing the debate. Does he agree that Birmingham is much closer to Nottingham than London, but the travel time from Nottingham to Birmingham is not that much shorter than it is to London? Although we often talk about improving north-south travel, improving east-west travel is also important, and schemes such as the eastern leg of HS2 will help to achieve that, and more.

Darren Henry: I completely agree with my hon. Friend. It is not just about speed, but about capacity to be able to achieve our aims.

There is no doubt that levelling up cannot be done in part. As I have said, it must be done in full. That includes levelling up communities, businesses and housing, and linking them with viable and efficient transport, thereby fostering true regeneration in regional communities such as the east midlands.

HS2 is so much more than a railway. It is important that we communicate its wider benefits. It is essential that the importance of the whole of the eastern leg of phase 2b is brought to the fore. Moreover, I want to press the case that Toton must remain as the HS2 east midlands hub in the Government's integrated rail plan.

Lilian Greenwood (Nottingham South) (Lab): I congratulate the hon. Gentleman on securing this important debate. He may not have been an MP at the time, but back in 2012 the options for phase 2 of the high-speed rail network ran to 347 pages and, after rigorous analysis, concluded that Toton was the right place for the station. That was not just because it had the potential to offer great interchange across our region, which local councils and other partners have now spent eight years developing, but because it provided the opportunity for regeneration—for housing and jobs. Does he agree that Toton beat other alternatives, including East Midlands Parkway, for those precise reasons?

Darren Henry: The hon. Lady is absolutely right. She is supportive of Toton, as are colleagues across the House, including my hon. Friend the Member for South Derbyshire (Mrs Wheeler) and others. Toton is really important to the story of regeneration. At Toton, there are plans for a high-tech innovation campus with 6,000 jobs, as well as garden villages and 4,500 homes. The site of Ratcliffe-on-Soar power station in a neighbouring

constituency will be redeveloped into a national centre of excellence for green energy generation. The Government have supported the creation of a development corporation to oversee this huge regeneration project. It will change the lives of a generation of young people in and around my constituency.

Regarding potential alternatives for an east midlands hub, as HS2 Ltd's March 2012 report describes,

"the intuitive interchange option for serving the East Midlands was potentially incorporating an HS2 station with the existing East Midlands Parkway station."

Its viability was compared

"directly with the proposed East Midlands Hub station at Toton"—

the hon. Member for Nottingham South (Lilian Greenwood) will recall that from her time in Parliament, as she mentioned. Here, an initial appraisal conducted by HS2 Ltd noted engineering and sustainability issues with East Midlands Parkway, concluding that development around the HS2 station would not be supported.

[Ms Nusrat Ghani *in the Chair*]

In contrast, Toton is ideal and already functions as the centre point of a local transport strategy to connect over 20 villages, towns and cities across the region. On this point, I am excited to report that there are plans for tram extensions in Nottingham and Derby, new rail links—including reopening the Maid Marian line to Mansfield—more buses and better connections by road. This access to Toton strategy has the backing of the whole region, and would deliver the benefits of investment sooner. Therefore, it is critical that these plans and the wider Midlands Engine Rail programme are given the investment they deserve in the Government's integrated rail plan, ensuring that we make the most of HS2 and connect as many people to it as possible.

To suggest that the station in the east midlands should move away from Toton would reflect a fundamental misunderstanding of what the Toton proposition has become. Toton will be a super-connected artery intended to pump new blood into a levelled up economy, a vision of the future and a blueprint for new ways of living and working.

Let us think for a moment. There are young people in communities such as the one I represent and in towns in the midlands and the north who are in school today. They are growing up with hand washing, wearing face masks, working in bubbles and learning online. For them, the investment that comes from HS2 is not about a railway. It is about hope, aspiration and a positive future: a future where their playing field has been levelled up, and where their potential can be untapped and harnessed. We all know covid has not affected everyone or every economy equally. The areas that were already left behind can now barely be seen in the rear-view mirror.

Economic recovery is not an option. Economy renewal is the key. HS2 runs through the centre of those left-behind towns and cities in the midlands and the north. There are compelling and comprehensive plans in place to harness the investment for the benefit of communities and businesses across the region. To give one example, two years ago, the Secretary of State for Housing, Communities and Local Government invited the Midlands Engine to bring forward this new form of development corporation to generate transformational economic, social and environmental change. That work, almost ready for submission, would result in 84,000 new jobs and £4.8 billion productivity for our economy.

The plans are not just for an extension of the old economy. The plans are for jobs for the next generation, and that is now. As the sun sets on industries such as coal-fired power stations, investment in infrastructure will bring forward sunrise industries: next-generation zero-carbon technologies developed by industry and universities, designed and built on the site of the former coal-fired power station at Ratcliffe-on-Soar; an innovation campus focusing on health, MedTech and biodiversity, alongside next-generation forms of living in a zero-carbon community, around the HS2 station at Toton; and next-generation forms of making and moving in the UK's only inland air-based freeport around East Midlands Airport, which is already the UK's largest dedicated freight airport. It is important to stress that these plans are not just compelling; they are credible. The Secretary of State for Housing, Communities and Local Government said so in the planning reform White Paper.

Set those benefits from HS2 in the east midlands alongside benefits across the whole stretch of the eastern leg up through Leeds to Newcastle. The impact will be breathtaking: over 150,000 new jobs and more than £60 billion added to the national economy. The benefits extend beyond jobs: 2.5 million lorries will be taken off the road, reducing carbon emissions by 76%, and 1.2 million cars every day will be replaced by rail, reducing carbon emissions further still.

Catherine McKinnell: Will the hon. Gentleman give way?

Darren Henry: No, I will not. I need to make some progress.

There is no doubt that hard investment choices need to be made in this country, but we cannot lose sight of the long-term benefits by focusing too much on the short-term costs. It is not a question of whether we can afford this. That misses the cold, hard logic of investing in long-term strategic infrastructure. The Victorians knew what they were doing, and we are still generating economic benefit from their investment today. The question is whether we can afford not to do this. Over 13 million people are standing ready to benefit from this new infrastructure.

I am asking, first, for assurances that the eastern leg of phase 2b of HS2—from Birmingham to Toton in the east midlands, to Chesterfield, Sheffield and Leeds—will not be cancelled. Secondly, I would be grateful to meet the Minister to discuss progress on the eastern leg in my capacity as co-chair of the midlands engine all-party parliamentary group. Specifically, I hope to have productive discussions with the Minister to provide reassurance to my constituents that Toton station and, more generally, the eastern leg of phase 2b will happen.

In conclusion, recovery from covid-19 means investment is more important than ever. My concern is that communities along the eastern leg of HS2 have been left behind in the past. I urge the Minister to look at the evidence provided and ensure that the east midlands and, specifically, Toton station, will not be forgotten in the integrated rail plan. There is no doubt that levelling up cannot be done in part; it must be done in full.

4.22 pm

The Minister of State, Department for Transport (Andrew Stephenson): It is a pleasure to see a former Department for Transport Minister in the Chair. I thank my hon. Friend the Member for Broxtowe (Darren Henry) for securing this important debate. I also thank the hon. Members for Newcastle upon Tyne North (Catherine McKinnell), for Warwick and Leamington (Matt Western) and for Nottingham South (Lilian Greenwood), as well as my hon. Friends the Members for Colne Valley (Jason McCartney) and for Gedling (Tom Randall) for their contributions. An honourable mention goes to the Whip, my hon. Friend the Member for Erewash (Maggie Throup), who cannot speak, but I am sure that if she could, she would tell me off and be bending my ear about this exact subject.

Ms Nusrat Ghani (in the Chair): The Chair will tell you off first.

Andrew Stephenson: Thank you, Ms Ghani.

I want to reiterate the Government's commitment to HS2 and to enabling the east midlands, Yorkshire and the north-east to reap the benefits of high-speed rail services.

Hilary Benn (Leeds Central) (Lab): I congratulate the hon. Member for Broxtowe (Darren Henry) on securing the debate. The Minister will be aware—he has heard the views expressed this afternoon—that splitting the Bills into two has given rise to concern about potential for delay or worse in respect of HS2 east. My constituents in Leeds, who really want this, for better transport links and for jobs, would be grateful for a specific commitment from the Government, namely, that they intend to proceed with HS2 east—I am backing up what the hon. Member for Broxtowe had to say—to Leeds, at the same time as the western leg to Manchester.

Andrew Stephenson: The right hon. Gentleman makes a good point. The reason why we have talked about doing this in more than one Bill is to speed up the process and deliver the benefits sooner. It was a recommendation that came from the Oakervee review. We acknowledge that the phase 1 Bill was introduced to Parliament in 2013 and did not get Royal Assent until 2017; similarly, the phase 2a Bill was introduced in 2017 and still does not have Royal Assent to this day. Hopefully, the idea of splitting it up is a good idea, put forward by Douglas Oakervee in his review, in order to speed up delivering the benefits of both the eastern and western leg.

Since the announcement of the integrated rail plan in February, I have met local leaders, Members of Parliament and business groups to hear their priorities for major rail investments in the midlands and the north. In all these meetings, regional representatives made it clear how important the potential economic benefits of HS2 are to their local communities. I will therefore address the concerns expressed today and reported in the media about the Government's commitment to the eastern leg. I will try to respond to all the points raised in the four and a half minutes I have left.

In February, following the Oakervee review, the Prime Minister confirmed that HS2 will go ahead. He also committed us to delivering an integrated rail plan to determine how best to deliver phase 2b alongside our other major rail investments in the midlands and the north. As things stand, communities on the eastern leg will be waiting until 2040 to realise the benefits of HS2. That is clearly too long to wait, which is why our integrated rail plan is working on ways to scope, phase and deliver phase 2b alongside other transformational projects, such as the midlands rail hub and Northern Powerhouse Rail, with a view to not only bringing down costs but delivering the benefits of those major investments as quickly and efficiently as possible.

The integrated rail plan will be informed by a rail needs assessment for the midlands and the north by the independent National Infrastructure Commission. The NIC's interim report was published in July, and we expect its final report to be published before the end of this year. I am aware that there are concerns about what the NIC is likely to suggest in that report, but as an independent body it is right that it looks at all available evidence when undertaking its assessment. Once the report is published, it will be for Ministers to consider the NIC's conclusions and make final decisions on the integrated rail plan.

I will briefly mention the western leg of phase 2b, as I know that there have been rumours that the Government have scrapped the eastern leg in favour of focusing on the western leg. I confirm that that is simply not true. I made the point earlier to the right hon. Member for Leeds Central (Hilary Benn) that the reason behind this was simply in order to smooth the parliamentary passage of the legislation. We think that delivering phase 2b in more than one Bill, subject to what the integrated rail plan says, is a sensible way to move forward. The only reason why the western leg came forward before the eastern leg is that the western leg is shorter than phase 1 or 2a of the eastern leg. The design of Manchester Piccadilly is absolutely crucial for how we deliver Northern Powerhouse Rail, which is the only reason why we have started a design refinement consultation on the western leg rather than on both legs simultaneously.

Kevin Hollinrake (Thirsk and Malton) (Con): Even across the north, the west is economically better off than the east of the country. Does that not make the case for investment to go to the east of the country first, or at least at the same time as the west?

Andrew Stephenson: As the Prime Minister said, it is not "2b or not 2b". We have to get on with levelling up across the country. As my hon. Friend the Member for Broxtowe said, this is not about east versus west. Many Members here and many stakeholders want to see the full network delivered, as promised for many years. However, we will not know what that will look like until the integrated rail plan is published, which will hopefully be soon.

My hon. Friend the Member for Broxtowe makes a compelling case for his constituency, for levelling up and for wider regeneration that could happen around the Toton site. As the Prime Minister recently said, as we build back better from the pandemic, we will be doubling down on levelling up, and HS2 can play a major part in that. While covid-19 has not stopped us from pressing ahead with HS2, it has made levelling up even more important, to help ensure that no part of the country is left behind as we work to recover from the impact of the pandemic.

By improving capacity and connectivity, HS2 will give people better access to jobs and businesses access to larger markets and suppliers. Growing local economies and levelling up the north and the midlands is at the heart of what we are trying to achieve, and for that reason I am happy to confirm that Ministers from the Ministry for Housing, Communities and Local Government and the Treasury will be closely involved in drawing up the IRP. We know that it is not only about building a railway but about taking a holistic view of how to capitalise on our investments to help to boost regional economies.

Earlier this year, I had a very useful and informative visit to the proposed site at Toton with my hon. Friend. I also had good discussions with the leader of Nottinghamshire County Council, Kay Cutts, on this issue. I will continue that dialogue. I am more than happy to agree to my hon. Friend's request for a meeting with him and the all-party parliamentary group. This railway is not just for the short term; it is a long-term investment that will bring our cities closer together. I hope to be able to provide certainty to my hon. Friend as early as possible.

Question put and agreed to.

SMEs and the Net Zero Target

4.32 pm

Kevin Hollinrake (Thirsk and Malton) (Con): I beg to move,

That this House has considered support for SMEs and the net zero target.

It is an absolute pleasure to serve under your chairmanship, Ms Ghani. I draw hon. Members attention to my entry in the Register of Members' Financial Interests on all things small business.

I am very supportive of the push to get to net zero as soon as possible. I absolutely believe that business will help to deliver that solution even faster than 2050. My principal concern in bringing forward this debate is that, in the headlong rush to get to that point, we must not treat businesses as collateral damage. We have done that in the past. When we had a change of emphasis in lending back in 2008, that happened to some good businesses, as well as to some businesses that had probably borrowed inappropriately.

I want to give an example of a business in my constituency. There is a very good business a few miles away from where I live called the York Handmade Brick company. It makes wonderful, handmade bricks, that look like old clamp bricks, for lots of houses around the country. It is a fairly small business employing about 20 people and is an award-winning company. Its processes use fossil fuels—natural gas—to fire the bricks. Now, I can see a situation where, in future, banks may look at this business and say, "That business does not sit with our ethical and sustainable goals portfolio. Therefore, it is perhaps not a business we want to support." If that business needs to borrow some money to invest to move away from fossil fuels, for example, and move to other processes—biogas being an obvious one—what that company will need as it moves, down the line, to a different process, is money to invest. It is absolutely critical that our banking sector takes such businesses forward with us. Hon. Members might say that that is blooming obvious, but that is not always what we have seen in the past.

If we are going to get to net zero, it is absolutely vital that the private sector is taken with us. It will provide the cash and capital to invest in new processes and new techniques. We know for an absolute fact that the private sector is much better at allocating capital than the public sector—I might point to Croydon Council in that regard, if Members have seen some of the recent news reports. The private sector is much better at allocating capital; in the past, the public sector has misallocated capital.

Of course, that investment will contribute towards innovation, and the solutions to climate change are about innovation. The more innovation and the more competitive free markets we have, the more our consumers get a better deal at a better price. We are seeing some interventions from shareholders in banks, who are saying, "We do not want you to invest in these kinds of industries anymore." Shareholder action groups will get increasingly vociferous, which could be to the detriment of small and medium-sized enterprises, and even bigger companies. This is not just about SMEs: bigger companies will remember that last year, for example, there were some protests by actors from the Royal Shakespeare Company

[Kevin Hollinrake]

regarding BP's sponsorship of that organisation, which led to a parting of the ways between the RSC and its sponsor. That is despite the fact that BP is working within our overall regulatory framework, and will be incredibly important in the future in making the investment we need to move from a dependence on fossil fuels to a greater dependence on renewable energy.

We have seen this with recent shareholder action in terms of things like the covid corporate financing facility, which is dispensed by the Bank of England. Again, there has been pressure from certain shareholder groups, saying that at this crucial time, when lots of businesses are in trouble because of covid, support for those businesses should have been linked to environmental objectives. How unfair would it have been, when hundreds of thousands of businesses employing millions of people are in crisis, to link those supportive measures to sustainability goals at such short notice?

My key message for this debate is that any intervention by the Government and our financiers, who are so critical to the UK economy, must be comprehensive, well considered, strategic and stable. Our interventions should be consistent over a long period of time to get to that long-term goal. Again, one example I might give is the recent news that we will bring forward the date on which we move away from fossil fuel cars—diesel and petrol cars. It was 2040; it has been brought forward to 2035, and has now been brought forward again to 2030. The motor manufacturers, of course, are gearing up for that, although it presents some real challenges for that sector during what is a difficult time anyway. What about the other businesses in that supply chain? Lots of other SMEs will have to make that change as well: those could be parts manufacturers, but they could also be forecourts. They are going to have to make massive changes over a very short period of time, so we must make these decisions in a strategic fashion.

Andrea Leadsom (South Northamptonshire) (Con): My hon. Friend makes a really good point about giving sufficient notice. He also points out that businesses will always overachieve, and he might recall that back in 2015, the announcement was made that we would be taking coal off the system by 2025. It has indeed been the case that businesses have overachieved, because coal is almost off the system and it is only 2020.

Does my hon. Friend agree that there could be some merit in the UK Government doing what many G7 countries have done, which is to create a development bank that brings in some offer of Government funding to help with the transfer towards net zero that we all want to see, and from which all SMEs could benefit?

Kevin Hollinrake: I absolutely agree with my right hon. Friend, and commend her on the work she did when she was in the Department for Business, Energy and Industrial Strategy as Energy Minister, providing a long-term framework that businesses can work within to phase out coal over that period of time: she was very far-sighted with her interventions. I am sure that my hon. Friend the Member for Grantham and Stamford (Gareth Davies) will talk about a development bank in his remarks in a few minutes.

One other area in which we need to look at a more strategic framework is that of the green homes grants. In our manifesto, we committed to about £9 billion for retrofitting, and I think we have committed about £2 billion so far through those grants, which is very welcome. One of the difficulties, as I have communicated to the Minister, is finding installers in our area. A lot of installers are thinking that £2 billion will go very quickly and, therefore, what is the point of applying?

The Federation of Master Builders has some data on that. There have been 180 inquiries to the Federation of Master Builders and only three have completed the paperwork because it was seen as too short a timescale. If we have a longer timescale, businesses will be more likely to invest in the training and the necessary other actions they need to take to qualify as a registered installer for that grant. A long-term, stable framework will encourage much-needed investment.

I will go back briefly to 2008. I am representing here, as I often do as co-chair, the all-party parliamentary group on fair business banking. Much of our work of the past 10 years—including the three years I have been involved—has been around trying to clean up the mess of 2008, when we withdrew support from lots of SMEs, unfairly and far too quickly, and did not give them the chance to transition into a different kind of business or even rebroker their finance.

We need to learn from that in terms of a timescale and a structure for that change and forbearance, in which the APPG has much experience. We need to learn from history. Warren Buffett once said,

"What we learn from history is that people don't learn from history."

It would be good to have a focus on that particular episode in our banking history.

With regard to banking, I mentioned before that banks are seeing some shareholder action in the businesses and sectors they will support in future. Access to capital being the most fundamental requirement of any business, this is a hugely important topic. As such, the APPG has come up with a project called Bankers for NetZero. It is engaging with the banking sector and others. It is supported by Volans, the sustainability think-tank, and Re:Pattern, who are a business transformation organisation specialising in social impact. It is developing policy recommendations to lead to COP26, looking at the regulatory environment and the part banks play in financing; engaging with businesses on net zero challenges; and looking at opportunities and obstacles for banking, while trying to formulate some evidence-based, targeted policy, and to make recommendations on legislation and regulation, in accordance with the United Nations environment programme finance initiative, or UNEPFI for short. The key objective is that no willing SME is left behind in this vital change to our economy.

One big issue over the next few years is the expected transition of lots of businesses from dependence on fossil fuels to a completely different model. That will be at a time, of course, when a lot of those SMEs are burdened with a significant amount of debt. TheCityUK recapitalisation group report said that SMEs are currently burdened with around £35 billion of unsustainable debt, which will put around 780,000 businesses at risk.

As a result of the covid crisis, it will be very difficult for the two thirds of businesses whose leadership is more focused on being greener and better to make that

transition. We know how important SMEs are to our economy: 99% of all businesses are SMEs and they employ 61% of private sector employees, that is, 5.9 million businesses in total. That is a business environment that has been a huge success under this Government.

SMEs are disproportionately positively represented in our levelling-up areas. That also fits into the Government agenda. A very high proportion of SMEs are in construction; 99% of all construction businesses are local builders. They are going to be vital to retrofitting and other measures that we require to modernise our housing stock. They employ hundreds of thousands of local workers and 70% of all apprentices. Other sectors that have a high proportion of SMEs are transport and retail.

I know the Minister's Department is looking carefully at the next few months. In terms of immediate business support, we need to think about things such as bounce back loans. Not all businesses can access bounce back loans, which is a huge issue. Lots of our businesses are with non-bank lenders, such as Tide, which do not have access to the Bank of England's term funding scheme for SMEs and therefore do not have the capital to lend to them. Businesses already face that challenge.

Many businesses are struggling to get the new top-ups that the Department has brought forward, which is welcome. As for the businesses that can access that liquidity, many are swamped with applications or are closed to applications from new customers. We are locking some SMEs out of support right now, and we are going to need them to provide us with the solutions to our economic challenges moving forward. There are also issues with the new measures to allow businesses to pay this debt over a longer period of time—the "pay as you grow" guidance. That will be key, as it will allow businesses to pay back the loans over 10 rather than six years.

I welcome the Government's focus on moving forward to a greener future. The Pension Schemes Bill that was before the House yesterday certainly moves us towards the net zero horizon. Last week, the Chancellor announced a taskforce for climate-related financial disclosure for large companies and financial institutions by 2025 to report on their progress in those areas. We also have the new green taxonomy and a plethora of policies in my right hon. Friend the Minister's Department on the clean growth strategy.

In terms of where we need to go, first we need to ensure that we have diversity in finance provision. We need to solve the non-bank lender problem. However, I would also like us to invest in a new type of bank: a regional mutual not-for-profit bank that has a much more patient approach to providing finance to SMEs. During the financial crisis of 2008 and all the way through to 2013 in Germany, lending rose by 20% because of the regional banks. In the UK, lending to SMEs dropped by 20%, showing that patient capital works much better when it is provided by a diverse range of providers.

We need a sector-specific just transition road map that looks at every different sector. If some of the current provisions for hospitality, such as the VAT cut, were extended or made permanent, that would be welcome. The British Business Bank needs a role in supporting and advising SMEs. We need to standardise just-transition restructuring, so that if businesses are seen as being in a sector that banks do not want to support, there is a proven standardised process for taking those SMEs from where they are today into the greener future. The shared prosperity fund should be used to support SMEs to make the transition and we should have a fiscal policy that is conducive to allowing SMEs to make the transition, with tax breaks, for example, to decarbonise.

My final point to the Minister—and I know he gets this—is please, please, please let us have no cliff edges, but a strategic approach and a long-term stable framework towards that net zero future.

Ms Nusrat Ghani (in the Chair): Contributions are limited to four minutes.

4.49 pm

Alex Sobel (Leeds North West) (Lab/Co-op): It is a pleasure to serve with you in the Chair, Ms Ghani.

I thank the hon. Member for Thirsk and Malton (Kevin Hollinrake) for securing the debate on this vital subject. In 2019, the business sector accounted for 18% of total carbon emissions. It is one of the biggest contributors of greenhouse gas, along with energy production and transportation. SMEs make up 99% of firms and 61% of the private sector workforce, and contribute £2.2 trillion in turnover, which makes them indispensable to the UK economy. They are extremely innovative, generate vast amounts of employment, and deliver economic prosperity and social cohesiveness. They are also disproportionately present in deindustrialised areas, and therefore present a unique opportunity to build back better.

Nowhere is that more evident than in Leeds, where we have a multitude of SMEs meeting social and environmental responsibilities. For example, Seagulls Paint was awarded a five-year contract by Leeds City Council for the collection, reprocessing and distribution of unwanted household paint, collecting and reusing more than 170 tonnes of paint a year. Other SMEs have been set up with the express intention of protecting the local and global environment, and they include Last Mile Leeds, Revive IT, the Phoenix Works and Revive Leeds.

It is not just a matter of businesses that have a sole environmental focus. Many are leading the way in taking steps to make their businesses more environmentally friendly. A recent opinion poll found that more than half—54%—of SMEs said that they had taken steps to green their business in the past 18 months. When asked whether the transition to a green economy would be financially positive or negative for their business, 61% were optimistic, and just 8% said that the overall impact would be likely to be negative, on balance. Participants pointed to net zero legislation, the ongoing war on plastics, climate activism movements and the green recovery movement as drivers of the transition, so SMEs are rising to the challenge. There are huge benefits and opportunities in the transition.

The hon. Member for Thirsk and Malton mentioned retrofit, and the opportunities suggest that we could create 100,000 new jobs in as short a time as 18 months if the actions in question were taken. In addition to the action that the Government have taken, there should be a reformation of the single-household approach of the energy company obligation, perhaps with the launch instead of area-based, street-by-street programmes supported and supervised by local authorities. There

[Alex Sobel]

are areas in my constituency that still do not have external wall insulation, although it was planned more than 10 years ago. Another possibility is support for the development of community-led retrofit schemes and co-operatives, such as the Carbon Co-op in Manchester.

Those are all opportunities for SMEs, but many SMEs will come out of the pandemic burdened with debt, as the hon. Member for Thirsk and Malton said. To contribute to a net zero transition, they will require capital investment and business support. It is important that the Minister responds to my question about what support SMEs will be given to ensure that they have appropriate information, incentives and targets to be able to pull together to contribute to our collective ambition of net zero. What business support will they receive and, as the hon. Gentleman said, what financial support and investment can they receive?

As the chair of the all-party parliamentary group on net zero, I want to finish by talking about our action plan, which looks at building an expansive and ambitious covid-19 green recovery package that focuses on green job creation and workforce retooling, especially in disadvantaged areas. That includes looking at the growth of solar installers and the reintroduction of the feed-in tariff. Decarbonisation through heat pumps, electric heating or hydrogen would also present opportunities for SMEs as installers. All those things present a huge opportunity to create new SMEs and new jobs within them, but they need the business support, investment, incentives and targets, and an ecosystem that creates the opportunity for net zero for SMEs and business at large.

4.53 pm

Gareth Davies (Grantham and Stamford) (Con): It is a pleasure to speak in the debate, Ms Ghani, and I congratulate my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) on securing it. I shall not repeat the statistics about how critical SMEs are to the national economy, but just point out that behind every business is someone who had an idea, stuck it out, saw it through and made it happen. As the son of a small businessman I know exactly how hard it is, so it is right to have a debate about how to support them to tackle one of the great challenges of our generation.

The debate is, of course, about support for SMEs and the net zero targets. I do not think that it is controversial to say that SMEs are both a cause of and a potential solution to climate change. The Federation of Small Businesses has said that about 16% to 18% of emissions are caused by SMEs, but also, given their might, they are a huge potential solution, with a view to our meeting the targets set down in legislation. We should be proud of that. Their role in our communities, as well as the knock-on effect on their customers and people who interact with them, can have a great impact.

Climate change is a risk and an opportunity for SMEs. As the hon. Member for Leeds North West (Alex Sobel) said, when surveyed SMEs say that they believe climate change is a significant risk, whether to the supply chain or because of extreme weather. However, it is also a huge opportunity for SMEs to show great innovation and to capture the opportunity of a changing climate. We should encourage and embrace that.

As my hon. Friend the Member for Thirsk and Malton said, much of this comes down to money. It is clear that in the UK we have a financing gap for SMEs. Only 30% of SMEs use external capital and financing. Many more would like to use it, but are unable to do so. Although the figure is a couple of years out of date, I understand that the National Audit Office has stated that there is a £22 billion financing gap for SMEs.

What should we do about the fact that SMEs need to get ready for climate change in order to mitigate the risk and capture the opportunities? How do we fix that financing gap? I have two potential solutions. First, I applaud the work of the British Business Bank. It is a great innovation as a financial institution and it works with 98,000 business in our country. It has £8 billion of financing and it has proved its worth through the coronavirus crisis. I believe that it should have more money.

The Government have shown, in their latest innovation for meeting our net zero targets, that they are willing to hypothecate the gilt markets with a green gilt. What a good idea that was. We could use the proceeds from that green gilt to help finance the British Business Bank to hypothecate its funding to help SMEs prepare for climate change and our net zero targets, and also to help them innovate and capture the opportunities.

Secondly and finally, as my right hon. Friend the Member for South Northamptonshire (Andrea Leadsom) so eloquently said, we must now look to a British development bank, rolling in the CDC as our international finance arm and rolling in the British Business Bank, to create a huge balance sheet from which we can issue bonds that will target not only regions but SMEs to help them meet the challenges of tomorrow and finance a future that is net zero.

4.57 pm

Scott Mann (North Cornwall) (Con): Thank you for your chairmanship today, Ms Ghani. I echo the thanks to my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for introducing this important debate.

Given that SMEs employ more than 60% of the private sector workforce, it is right that they play their role in this defining issue for our generation. I believe that our vibrant private sector businesses and entrepreneurs, with the right guidance from Government, are the key to meeting our climate change obligations. Green businesses are setting up across the UK, with the aim of reducing our climate emissions and getting them under control. Some of those products and services are playing their part in removing and stopping the release of far more CO_2 emissions than they are creating, and as parliamentarians we must bang the drum for those businesses. I will therefore shamelessly plug businesses in my constituency in this debate.

Water Powered Technologies in Bude has created the Papa pump—a pump that is lighter and smaller than the alternative options available. It uses no electricity and, with no moving parts, is probably the world's simplest and most cost-effective water pumping solution. Balaena Offshore Utilities is creating unique solutions to island and coastal communities' water needs. It works out of the Gaia Energy Centre in Delabole, a facility that was built to celebrate the UK's first wind turbine firm in Delabole—a revolution in 1991.

CleanEarth Energy in Wadebridge is helping people to refit their homes to provide energy-efficient solutions. Also playing its part is the Bude ReFILL shop—a brilliant shop that is designed to eliminate the need for plastic packaging by encouraging customers to bring their own containers to refill. Bude Cleaner Seas is working on a couple of brilliant solutions to cut plastic pollution. Reuse eliminates the need for plastic packaging, which can litter our planet indefinitely, and cuts the CO_2 emissions that would have been released had the products needed to be produced.

There are other examples of great local businesses and community groups in North Cornwall that have set up to protect our climate, and I am sure that colleagues will have similar experiences in their constituencies.

The post-covid, post-Brexit period will provide an opportunity fundamentally to adjust the way in which our economy works, and I suspect that many consumers will look at products and services for the future. We can cut supply chains and ensure that local businesses are supported. A simpler supply chain will help us to cut our emissions but will require investment in new equipment and lending support for green finance investment. As my hon. Friend the Member for Grantham and Stamford (Gareth Davies) suggested, new lenders, banks, crowdfunders and other organisations can look at investment.

I should like to raise with the Minister an issue that has recently become a phenomenon in Cornwall: houses being knocked down and rebuilt. Materials have been shipped to other parts of the country, only to be shipped back down. Will the Minister look at that? If we recycle some of our aggregates in Cornwall, we will reduce our carbon footprint quite quickly and help small and medium-sized builders to reduce their emissions.

It has been a fantastic debate and a pleasure to take part.

Ms Nusrat Ghani (in the Chair): That was an eloquent tour of all the SMEs in North Cornwall.

5.2 pm

Richard Thomson (Gordon) (SNP): It is a pleasure to serve under your chairmanship, Ms Ghani. I congratulate the hon. Member for Thirsk and Malton (Kevin Hollinrake) on securing the debate and commend him for the work that he does through the all-party parliamentary group.

The hon. Gentleman made a number of points about the importance of innovation in the role of banking. In the aftermath of the 2008 banking crash, a number of banks looked to rebalance their balance sheets off the back of their SME clients, and we must make absolutely sure that does not happen in the aftermath of this crisis.

The pressures on SMEs and the difficulties in ensuring they play a full part in the pursuit of the goal of net zero are well understood. The goal of many SMEs will understandably be to ensure their survival, often week to week and month to month, rather than to focus on the wider goal of net zero.

There are two roles for the Government, the first of which is to help to ensure that the businesses are still there and to help them to transform through the legislative environment, as well as facilitating change and innovation through grants and investment. On ensuring that businesses are still there, it is unfortunate that, even with the extension of the furlough, the owners of so many SMEs find themselves on the list of the excluded—those remunerated through dividends. That sends out a poor message that we are not helping them to do what they do best and grow their businesses and position them for recovery. The Minister needs to hear that, and although I am sure he has heard it many times, I make no apology for repeating it. I wish him strength in making that argument where it needs to be made.

The other role for the Government is in helping businesses to transform. It will help if there are no cliff-edges and no surprises. The Government have intervened through the bounce back loan scheme and the coronavirus business interruption loan scheme. The hon. Member for Thirsk and Malton spoke of the difficulties that businesses in his constituency faced, particularly if they operate through non-traditional lenders, in accessing CBILS and BBLS. A number of businesses in my constituency face the same difficulties and needless obstruction to what was intended by the schemes.

Croydon Council was mentioned, not necessarily in dispatches, but let me speak up for the role of local authorities. As a former council co-leader, one of the things of which I was proudest was being the first authority in the UK to introduce a carbon budget, which stood alongside the revenue budget and the capital budget so that decisions could be taken on an equal footing. What became very apparent very quickly was the difficulty, once the low-hanging fruit had gone, with some of the decisions that had to be taken to make progress and operate within the resource envelope. That was in the context of an annual revenue budget of £500 million and a capital budget of £100 million, so the difficulties for SMEs are well understood.

We have heard points made about the shared prosperity fund. I could have a debate all to myself about the bumpiness and uncertainty around devolved funding at the moment. I will not go down that particular rabbit hole at this point, except to say that it helps if there is clarity on investments and no cliff edges from the Government. That will enable the making of strategic, tailored decisions to get us to our goal.

To draw my remarks to a close, the Scottish Government have their own programme for Government, which has strategic, targeted aims to embed generational equality and regional prosperity. A part of that is about investing £100 million in a new green jobs fund over the next five years to support businesses to provide sustainable and/or low carbon products, and a £60 million youth guarantee to provide increased opportunities for green apprenticeships. That is on top of the investment that needs to go into broadband. The £600 million R100 programme will bring broadband to all parts of Scotland, which will be of particular benefit in helping SMEs in rural areas to survive and thrive, and there is also the investment of £62 million in the energy sector. Many companies, big and small, in the oil and gas sector have an enormous role to play in the big strategic transition that we need to meet, and that is important.

To wrap up, it is imperative that the Government prioritise the SME sector. We need sector-specific roadmaps with clear goals and deadlines. We need to extend the mandate for the British Business Bank's support for SMEs making the transition, and make specific provision for SMEs in the shared prosperity fund. We need a more expansionary fiscal policy to support SMEs, and we need to encourage the diversity of supplies to SMEs.

5.7 pm

Matthew Pennycook (Greenwich and Woolwich) (Lab): It is a pleasure to serve under your chairmanship, Ms Ghani. We always state this as a courtesy when opening our remarks in this place, but I am genuinely grateful that the hon. Member for Thirsk and Malton (Kevin Hollinrake) secured this debate, because the subject deserves far more attention in this House than it has received to date. When we talk about decarbonisation of the kind required by the net zero target, the focus is invariably on either big market trends or the action that the Government must take to drive emissions reductions across the largest emitting sectors of the economy. Although it is recognised that SMEs will be impacted by both, the assumption is always that they will simply adapt to any change made. To some extent, that will no doubt be the case, but, given that SMEs are the backbone of our economy, they need to be much more than an afterthought in our thinking about net zero, and much more thinking will need to be done about what targeted support they will need to ensure that the transition to net zero is as orderly as possible. The hon. Gentleman made very good points about the risks entailed when that does not take place and the need to learn lessons from history.

I intend to touch on three specific areas where there is clearly a need to do more to support SMEs in transitioning towards a local carbon economy. Before I do, I want to make two general points about the Government's approach to climate action that have implications for them. The first is the need for a clear and credible net zero strategy. Setting a net zero target was an essential first step, but hitting that target requires a plan for its delivery. Despite having legislated for it more than a year ago, the Government have still not brought forward such a strategy. Indeed, core building blocks of it, from the national infrastructure strategy to the energy White Paper, have been repeatedly delayed. Although there will need to be a sector-specific component for SMEs in it, the most important thing is that the Government bring forward that comprehensive strategy as a matter of urgency to provide clarity and certainty for SMEs and other sized businesses, and a framework within which they can make investment decisions. The test of the announcement expected from the Prime Minister tomorrow will be whether it moves us forward towards that comprehensive strategy.

The second general point is that there is a real need for the Government to prioritise decarbonisation in any coronavirus stimulus package, and in particular a need to bring forward significant investment in low-carbon infrastructure. It is no good providing targeted net zero support for SMEs if the systems that they are embedded in and the infrastructure that they rely on are not transformed.

On the targeted support that SMEs require to make the transition in an orderly fashion, there are three areas, as I said earlier, that require more focus. First, SMEs clearly need more information and guidance on how to progress towards net zero. That not only means better access to tailored business, financial and legal advice; we need to do more to ensure that SMEs are persuaded of the commercial importance of planning for the transition to net zero early and the detrimental implications of not doing so.

The Government should look at what more they could do to support innovation in relation to SME business models and manufacturing processes. There are good examples of where this is happening in other countries across the world. The Dutch green new deal, for example, provides Government-backed institutions to offer free technical advice to help businesses in Holland become more efficient. More could be done to augment and enhance the role of local government and local enterprise partnerships in engaging SMEs on the issue of net zero and helping them understand the business and supply chain opportunities that exist as part of it.

To date, while organisations such as the Carbon Trust and the Federation of Small Businesses have stepped in to provide SMEs with support along these lines, the Government themselves have done very little. Will the Minister outline in his response what plans, if any, the Government have to help inform and advise SMEs about how best to decarbonise their businesses? Secondly, as many hon. Members have said, SMEs undoubtedly need more help to access financing. Many have spoken about the pressure that SMEs are under as a result of the pandemic; the fact that they are struggling with high levels of debts and substantial losses of revenue. Many have also spoken about the financing gap that exists, not least the hon. Member for Grantham and Stamford (Gareth Davies) in his succinct and well-argued speech.

Other countries have created institutions to address this problem—the KfW in Germany, the Small Business Administration in the US, the Business Development Bank of Canada. I would argue that we do not have anything that does the same thing. There is a need to look again at what the British Business Bank could do, but also to establish a national investment bank with a clear green mandate—as we called for as part of our green economic recovery last week and challenged the Government to bring forward. Such a bank could provide low-cost, long-term financing to SMEs to help their transition in the way that the KfW has provided in energy efficiency loans to SMEs in Germany. Crucially, a national bank could be integrated into a network of regional outposts to ensure local delivery. We know that the Government have been discussing this for some time. Will the Minister confirm whether they have finally decided to establish such a bank? What sort of timeframe are we looking at for when it might be operational?

Lastly, SMEs need support with skills for their workforce. The Confederation of British Industry has estimated that nine out of 10 employees will need to reskill by 2030. That will require a national low-carbon skills strategy that embeds sustainability and net zero across the whole education system. We called for the Government to bring forward a national retraining strategy to deal with the immediate jobs crisis, while meeting the longer-term needs of a low-carbon economy. Much more could be done in this respect. Will the Minister explain what thinking the Government have done, if any, on a net zero skills strategy that will provide SMEs with a workforce that is capable of successfully transitioning?

SMEs will be an essential component of the green transition, but to meet the challenge ahead, they need clarity, certainty, a wider package of investment and targeted support for information and technical advice, financing and skills. I look forward to hearing the Minister's thoughts on all those areas.

5.13 pm

The Minister for Business, Energy and Clean Growth (Kwasi Kwarteng): I am very pleased to be conducting this debate under your eagle eye, Ms Ghani. I am also pleased to welcome my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), who did a terrific job in outlining the issues. He has long been a champion of small businesses in this House and a very effective advocate for those interests and businesses which, as many hon. Members have pointed out, are absolutely essential to our economy. I will address a number of his points and then turn to points made by other hon. Members in this debate.

We have to make clear our absolute 100% commitment to net zero as a Government. The Prime Minister has shown many times that this is at the centre of our strategy. We also feel that, given where we are with covid, it is absolutely necessary to build back better. As my hon. Friend the Member for Thirsk and Malton said in the first part of his speech, the 2008 crisis was extremely difficult, but one of its bad features was that we did not as a global community look at climate change and think about building back greener and better in the aftermath. People in this Government, in the Opposition and in Governments across the world are much more focused on building back greener and building back better as a consequence of this covid crisis.

As my hon. Friend said, SMEs are the backbone of our economy and will have a key role in driving economic growth. He described a headlong rush to net zero; others might take a different view. However, we cannot assume that the push to net zero will be imposed on businesses. We have to take our people and our SMEs along with us. I fully accept that we should engage with SMEs. I do this fairly regularly, as I am sure he and others do as local MPs. If he has SMEs in his constituency that he wants to talk to about net zero with me, I urge him to engage with me on that. It is a two-way street, and I look forward very much to engaging with many of the excellent businesses in his constituency. My hon. Friend the Member for North Cornwall (Scott Mann) gave us a flavour of the many SMEs engaged with net zero in his constituency. He said that net zero and the covid-19 crisis would "fundamentally adjust" our economy, which was an excellent and well-made point.

On SME engagement, we have a net zero small business engagement strategy that seeks to strengthen our approach to working with SMEs, which is particularly relevant in the context of COP26 in Glasgow in November next year. I have made it a specific cause of mine to make sure that SMEs can play a part in COP26. We are also developing a small business energy efficiency scheme, which is obviously related, in some measure, to the green homes grant that we are pioneering at the moment.

My hon. Friend the Member for Thirsk and Malton will know that finance is a huge area of development. Thanks in small part to my hon. Friend the Member for Grantham and Stamford (Gareth Davies), the sovereign green bond is finally something that we will engage with. I was delighted that the Chancellor of the Exchequer announced that, and I know that my hon. Friend will be particularly happy, given his background and the campaign for that development that he promoted. Along with the sovereign bond, that clearly creates a space in which green finance is something that we are all engaged with. I speak to bankers, people in the City of London and investors, and there is huge appetite for these sort of green assets.

The fear that my hon. Friend the Member for Thirsk and Malton raises about SMEs being shut out of the market is legitimate. We can try to create a culture in which SMEs are looked on more favourably, but we cannot, I have to say, buck the trend of the market. I am afraid, for people who are not adapting, that investors are voting with their feet. It was only a few weeks ago that the market capitalisation of Ørsted, a Danish offshore wind company, was bigger than BP. That is a case of investors voting with their feet; it was not Government legislation that gave it that value in the market. My hon. Friend is a great champion of market forces, although perhaps in another context, but he will understand that if banks are keen to look at the green credentials of companies, that can make the climate more difficult for companies that are slower to adapt. However, that is definitely something that we should look at.

My hon. Friend was right to mention the British Business Bank in this context. I am keen—I have been driving this within the Department—to get a net zero remit for the British Business Bank. He will remember that the British Business Bank was set up years before the net zero legislation, so we have to do a degree of reverse engineering to ensure that the net zero challenge is at the centre of the bank's remit.

The hon. Member for Greenwich and Woolwich (Matthew Pennycook) gave us a number of challenges. I would like to say a few words about them all, starting with his third point, relating to skills. I am very proud to have announced a green jobs taskforce. This is the first time that I, as the Energy Minister sitting within the Department for Business, Energy and Industrial Strategy, have got together with the Skills Minister, my hon. Friend the Member for Chichester (Gillian Keegan) to create something. We have come together and created a forum in which we are discussing green jobs. I am sure that the hon. Member for Greenwich and Woolwich will be pleased to learn that we have not only academics, business people and one or two small business representatives but we have trade unions coming together to discuss the immense opportunities that we have, as a country, in this space. There are something like 460,000 jobs already in the green economy in Britain, which is a figure that we want to see increase up to 2 million by 2030, so there is huge opportunity and ambition in the context of green jobs and green skills.

In the second part of his remarks, the hon. Gentleman talked very well about the need for finance and for some sort of national institution. He, as well as others in the Chamber, will know that there is plenty of discussion about that within Government. As we leave the EU, we are leaving the European Investment Bank. Hon. Members have mentioned KfW Development Bank and we also have our own UK Green Investment Bank.

There is clearly an appetite in certain quarters, as well as a wide debate, for a national institution that may emerge as a consequence of our leaving the EU, focusing particularly on net zero. These are ongoing discussions, but my hon. Friend the Member for Thirsk and Malton cannot believe that I would be so naive, even if I knew the answer, to blurt out our plans in the context of a Westminster Hall debate. He can rest assured that this matter is being debated and discussed very seriously at the highest levels of Government.

[Kwasi Kwarteng]

The first point that my hon. Friend the Member for Thirsk and Malton made was very pertinent. If we are to try to bring people along with us on the journey towards net zero, we have to engage. Engagement means supplying information, exchanging ideas and providing guidance, as he suggested. We do that all the time and, of course, we could do more. Debates like this, dare I say it, are excellent ways in which we can broadcast and encourage our engagement with SMEs on the vital question of net zero.

There were many other remarks that I have not been able to fully address one by one. Broadly, I would say that this debate is absolutely key. Within the debate there were slightly different voices. If he will permit me to say it, my hon. Friend the Member for Thirsk and Malton is a brilliant champion of local business, but he did stress the fact that we must take people with us. There is no point in our hurtling to a net zero endpoint and leaving vast swathes of the economy and business behind. The hon. Member for Greenwich and Woolwich stressed that there is urgency, and I fully agree; there is a real need for further impetus. These are balancing arguments, and I can assure hon. Members present that the Government are taking all their remarks seriously.

We discuss the issue all the time and we are open to ideas. Ministers do not often say that, but we are open to ideas about how best we can engage with local businesses and small and medium-sized enterprises in our quest to reach net zero by 2050.

4.24 pm

Kevin Hollinrake: I am really heartened by my right hon. Friend's comments on this issue. It seems that the House is in accord. I am grateful for all the contributions. There is a lot of consensus.

I love the word "ecosystem", which the hon. Member for Leeds North West (Alex Sobel) used in this context, to describe this whole situation. What we need is a 30-year ecosystem in order to take the business community with us. There were some great examples, such as the British development bank, through to the Papa pump and whatever else—two ends of the same scale. There are lots of banks that are supportive. There is the Bankers for NetZero project. We have Barclays, Tide, Handelsbanken and Triodos, which are all keen to have a conversation on this issue and try to take businesses with us. It is so easy to look at shiny new innovative businesses, rather than businesses that currently exist and that want to make a contribution. I am very heartened by my right hon. Friend's comments that he wants to take business with us.

When someone is in the world of business and has their own SME, it is not just a job and a business—it is their life. It is so critical to everything they do and stand for. I urge again, and I am reassured by the Minister's comments, that there should be no cliff edges. There should be a stable framework. If we leave no one behind here, the SMEs can lead from the front—if that is not too much of a mixed metaphor—towards a net zero future.

Question put and agreed to.

Resolved,

That this House has considered support for SMEs and the net zero target.

5.26 pm

Sitting adjourned.

Written Statements

Tuesday 17 November 2020

DEFENCE

Defence Estate Optimisation Update

The Minister for Defence Procurement (Jeremy Quin): The Ministry of Defence (MOD) continues to deliver on its 25-year strategy to modernise its estate.

As part of this work we wish to confirm programme changes to individual sites: The disposal of DSG Colchester can be brought forward one year to 2021; the disposal of Middlewick Ranges also in Colchester will however be delayed by one year to 2022; the disposal of Fort Blockhouse 1 in Gosport will be delayed by at least three years to not before 2023; and the disposal of the remainder of the Southwick Park site in Fareham will be delayed to 2031. These delays are to meet military requirements.

We are also exchanging two parcels of land as part of the Forthside Stirling disposal to create a more sensible proposition for future development and will be enclaving Napier Lines at Woolwich Barracks as the long-term home for the King's Troop Royal Horse Artillery. The disposal of the remainder of both sites will continued as planned.

There is the potential for adjustment to other site disposal dates as we continue to evaluate the movement of personnel and refine the portfolio timeline to meet military capability requirements. Any changes will be reflected in updates to the defence disposal database on the www.gov.uk website. This maintains a complete list of all MOD disposals including those that are part of defence estate optimisation. It is routinely updated throughout the year to provide the most accurate and current information as the Department continues to rationalise and enhance its estate.

The MOD remains committed to making the right decisions to support defence capabilities and offer best value for money for the taxpayer, balanced with our commitment to working with communities over the future use of sites released for disposal as part of the portfolio.

[HCWS582]

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Social Housing Update

The Secretary of State for Housing, Communities and Local Government (Robert Jenrick): I am today announcing the publication of the social housing White Paper. This White Paper will bring transformational change for social housing residents and the new approach and regulatory changes we set out will make a measurable difference to their lived experiences.

A home should always be more than just four walls and a roof. This country has a long tradition of providing homes for those most in need, going back many centuries. Today, the social housing sector provides homes to 4 million households. Many landlords provide a good service to their residents. They provide a decent, safe home. They support thriving neighbourhoods and communities. They are open with their residents, listen to them and treat them with respect. But this is not true of all landlords.

The tragedy at Grenfell Tower in June 2017 raised critical questions for everyone involved in social housing. The chair of the public inquiry into the Grenfell Tower fire, Sir Martin Moore-Bick, identified broader questions on social housing policy raised through the consultation on the inquiry terms of reference. It was agreed that these broader questions should not be within the scope of the inquiry itself.

Through the 2018 social housing Green Paper we sought views on a wide range of potential changes by talking to residents across the country as well as launching a call for evidence about how social housing is regulated. Many residents reported positive experiences, but others did not. We heard concerns about safety, and about complaints being handled slowly or poorly: that residents were not listened to or not treated with basic courtesy and respect. This is why today I am delivering on our manifesto commitment and publishing the social housing White Paper: "The Charter for Social Housing Residents".

Alongside the changes we are making to improve building safety, our package of measures will make a real change to residents. It will ensure that there will be action for those landlords whose services fall below expectations so that they can be brought up to the level of those that we know already deliver a good service.

Summary of proposals

The White Paper establishes a new charter for social housing residents, setting out what every social resident should be able to expect of their landlord:

1. To be safe in their home

We will reinforce the regulator of social housing's consumer regulation objective to include safety explicitly. We will legislate to place an obligation on landlords to identify a nominated person responsible for ensuring compliance with health and safety requirements. We will consult on how we apply the stronger legal requirements on smoke and carbon monoxide alarms in the private rented sector to the social rented sector, followed by a consultation on how to ensure social tenants are protected from poor electrical safety. We will support residents to have a stronger voice on safety matters and promote best practice on safety engagement with landlords.

2. To know how their landlord is performing

We will establish tenant satisfaction measures for social landlords to report against on issues that matter to tenants. We will make sure landlords are reporting clearly on how they spend their income and introduce a new access to information scheme for housing association tenants. And, we will require landlords to identify a senior person in their organisation who is clearly identified as responsible for ensuring they comply with consumer standards.

3. To have their complaints dealt with promptly and fairly

We will build on the changes we have already implemented with the Housing Ombudsman Service to improve its performance and reduce its decision times, ensuring swift and effective resolution of complaints. We will raise awareness of how residents can make and escalate complaints. We will expect social landlords to take greater responsibility for upskilling their staff to serve residents better when they make a complaint or raise an issue.

4. To be treated with respect, backed by a strong consumer regulator for tenants

We will transform social housing regulation by creating a new, proactive consumer regulation regime for social housing, delivering robust oversight of all social landlords. This means establishing a new arm of the regulator of social housing to regulate proactively on consumer standards including quality of homes, repairs, engagement with tenants and complaints handling. The new approach will raise standards and include routine inspections of the largest landlords every four years, alongside risk-based reactive inspections to deliver scrutiny and investigation of landlords most at risk of failing residents. We will ensure residents can access information about their home and the services they receive, and can raise concerns about systemic failure to the regulator of social housing. We will maintain the robust economic regulation that is already working effectively to support a well-governed and financially viable sector, and make sure the whole system is cohesive and balanced.

5. To have their voice heard by their landlord.

We will empower residents by requiring landlords to improve tenant engagement. We will deliver a new opportunities and empowerment programme for social housing residents, to support them in engaging with landlords and holding them to account. We will review professional training and development to ensure residents are treated with courtesy and respect.

6. To have a good-quality home and neighbourhood to live in.

We will encourage investment in neighbourhood, place and decency. We will review the decent homes standard and boost the quality of, and access to, green spaces. We will tackle anti-social behaviour by enabling tenants to know who is responsible for action and who can support and assist them.

7. To be supported to take their first step to ownership.

We will enable delivery of good-quality, affordable homes including the investment of £11.5 billion in the new affordable homes programme to deliver up to 180,000 homes. The programme will unlock a further £38 billion in public and private investment in affordable housing. We are also introducing a new affordable homes guarantee scheme and implementing a new, fairer and more accessible model for shared ownership.

Alongside the social housing White Paper, I am publishing the analysis of the consultation responses to the social housing Green Paper 2018 and to the call for evidence on the Government's review of regulation 2018. I am also publishing a consultation on mandating smoke and carbon monoxide alarms in social rented homes with the aim of ensuring the same legal protections for social housing tenants as for those in private rented homes.

This new charter with its focus on transforming social housing regulation, ensuring homes are decent and safe, offering residents swift and effective resolution of complaints and empowering residents will rebalance the relationship between landlords and tenants. This is a strong, coherent package that is going to make a real difference in people's lives.

[HCWS581]

NORTHERN IRELAND

Third substantive report of the Independent Reporting Commission

The Secretary of State for Northern Ireland (Brandon Lewis): I have received the third substantive report from the Independent Reporting Commission (IRC).

The IRC emanated from the "Fresh Start" agreement of November 2015. The agreement set out the Northern Ireland Executive's commitments around tackling paramilitary activity and associated criminality. This work continues to be taken forward through a Northern Ireland Executive action plan which contains 43 recommendations.

This third substantive report builds on the work already undertaken by the commissioners. The inclusion of a commitment to continue to tackle paramilitarism in the "New Decade, New Approach" agreement, in January 2020, highlights the ongoing importance of this issue, but the commission's report again reminds us of the challenging work still to be done.

I would like to thank the commissioners for their work, particularly in delivering this year's report in the midst of the covid-19 pandemic.

[HCWS584]

TRANSPORT

HS2 Land and Property Review

The Minister of State, Department for Transport (Andrew Stephenson): High Speed Two (HS2) is at the heart of our plans to build back better from the covid-19 pandemic, creating thousands of skilled jobs, boosting connectivity between our towns and cities and helping to rebalance opportunity across the country for years to come.

However, as part of that commitment to build back better, it is crucial that we deliver HS2 in a way that is as considerate as possible of those disrupted by the project, who may face losing their homes and relocating their businesses.

In confirming HS2 would go ahead in February 2020, the Prime Minister also committed to a step change in HS2 Ltd's performance and to drive improvements in transparency, accountability and value to the taxpayer. This included a renewed focus on placing people—the communities and individuals who will be impacted by HS2—at the heart of everything the Government do.

So following my appointment as the Minister for HS2, I initiated a review of the HS2 land and property acquisition programme, to ensure that those most directly affected were placed at its heart.

The review examined HS2 Ltd's operational acquisition processes and, where the evidence demonstrated it, associated wider-Government policies. It focused on four areas:

How to deliver a step change in community engagement on the land and property acquisition programme;

How to protect the interests of those impacted;

How to improve process efficiency and delivery by HS2 Ltd;

And how to drive a better tone, showing conspicuous respect, courtesy and understanding.

Today, I am pleased to publish the findings of this review. Copies of the report have been placed in the Libraries of the House.

The Government are grateful for the contributions made by Members of the House and their constituents, external stakeholders, the HS2 Residents' Commissioner and the HS2 Construction Commissioner. The review also considered lessons from Phase One of HS2 and examined compensation regimes employed on other UK infrastructure projects and abroad.

The review generated a number of proposals that are designed to speed up property valuations and disturbance payments, settle cases and disputes more quickly and build on the improvements HS2 Ltd have been introducing to engage more effectively with people.

The focus now will be on how the Government and HS2 Ltd turn these proposals into long-lasting changes that improve not only the delivery of HS2, but also the experience and wellbeing of individuals, businesses and communities impacted by them.

The Government want to ensure that those living near the route receive the right support at all stages of the project. Importantly, they remain committed to ensuring that those affected are properly compensated and treated with compassion, dignity and respect.

Attachments can be viewed online at: http://www.parliament.uk/business/publications/written-questionsanswers-statements/written-statement/Commons/2020-11-17/HCWS583/.

[HCWS583]

Ministerial Correction

Tuesday 17 November 2020

WORK AND PENSIONS

Covid-19: Disability-Inclusive Response

The following is an extract from the debate in Westminster Hall on a disability-inclusive response to covid-19, on 15 October 2020.

Justin Tomlinson: The unit is the eyes and ears of disability issues across Government, making sure that disability issues are embedded in policy development. It is personally supported by the Prime Minister, which makes my job much, much easier. Disability issues are brought up at Cabinet and in interministerial groups, where I get to instruct other Ministers about their importance. We are an asset across Government, because we spend—I in particular spend—a huge amount of time on stakeholder engagement. In the past seven days, just as part of my ongoing work, I have met representatives of all the national charities that have been mentioned in the speeches today. I enjoy talking to people with real lived experience, and we then flag up that experience with the relevant Department if it is not DWP, and it makes a tangible difference.

[Official Report, 15 October 2020, Vol. 682, c. 235WH.]

Letter of correction from the Minister for Disabled People, Health and Work, the hon. Member for North Swindon (Justin Tomlinson):

An error has been identified in my response to the debate on a disability-inclusive response to covid-19.

The correct response should have been:

Justin Tomlinson: The unit is the eyes and ears of disability issues across Government, making sure that disability issues are embedded in policy development. It is personally supported by the Prime Minister, which makes my job much, much easier. Disability issues are brought up at Cabinet and in interministerial groups, where I get to instruct other Ministers about their importance. We are an asset across Government, because we spend—I in particular spend—a huge amount of time on stakeholder engagement. In the past **few weeks**, just as part of my ongoing work, I have met **numerous** national charities that have been mentioned in the speeches today. I enjoy talking to people with real lived experience, and we then flag up that experience with the relevant Department if it is not DWP, and it makes a tangible difference.

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Tuesday 24 November 2020

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