Tuesday
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HOUSE OF COMMONS
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PARLIAMENTARY DEBATES

(HANSARD)

Tuesday 8 June 2021

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Virtual participation in proceedings commenced (Orders, 4 June and 30 December 2020).

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

Oral Answers to Questions

HEALTH AND SOCIAL CARE

The Secretary of State was asked—

Covid-19: Support for Scottish Government

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): What steps his Department is taking to support the Scottish Government in their response to the covid-19 outbreak. [900820]

The Secretary of State for Health and Social Care (Matt Hancock): The UK Government work closely with the Scottish Government to provide a co-ordinated approach to the response to covid-19 for the benefit of people across Scotland and across the United Kingdom. For instance, the UK Government have provided the Scottish Government with £1.2 billion in Barnett funding in the 2021 Budget, procured more than 500 million vaccines for the whole of the UK and made sure that our testing programme reaches all parts of the UK. This is a partnership in which the people of Scotland benefit hugely from the reach and strength of the UK Government.

Andrew Bowie: It is becoming clear across the entire United Kingdom that our NHS is facing a huge challenge as we reopen society to deal with the thousands of procedures, treatments and operations that have been delayed due to lockdown. What steps is my right hon. Friend taking to ensure that the national health service in England, Scotland, Wales and Northern Ireland can work together as easily as possible, sharing resources and services to ensure that this truly national health service for our whole country will support delivery to support our constituents wherever in the United Kingdom they might live?

Matt Hancock: My hon. Friend is quite right. The NHS is one of Britain's proudest achievements. It operates across the whole of Great Britain and co-operation is ingrained in the DNA of the NHS. I am absolutely determined, as the UK Secretary of State for Health and Social Care, to ensure that, wherever people live in this United Kingdom, they can access the very best of care. If a constituent of my hon. Friend's in Aberdeenshire needs a treatment that is only available in England because it is so specialised, they should have absolutely every right to that treatment, in the same way that a constituent of mine in Suffolk or a constituent in north Wales should. We have one NHS across these islands, and it is one of the things of which this country is most proud.

Dr Philippa Whitford (Central Ayrshire) (SNP) [V]: I am sure the Secretary of State is well aware that the Scottish NHS has been separate since 1948 and has been under direct Scottish Government control for the last 20 years, so there are actually four NHSs. Perhaps I can ask him about some of his decisions that have made it harder for the Scottish and other devolved Governments to fight covid. Last September, he refused to follow Scientific Advisory Group for Emergencies advice for an urgent lockdown, and the six-week delay allowed the more infectious B117 Kent variant to emerge and spread across the UK, driving a second wave more deadly than the first. He has repeatedly claimed to follow the science, so can he explain why he did not follow scientific advice last September?

Matt Hancock: Just on this point, this attempt at division within the NHS is deeply regrettable. It is not what people want. It is not what people want in Scotland. It is not what people want anywhere across the country. The NHS is an institution we should all be very proud of. Of course it is managed locally—it is managed locally across parts of England and it is managed under the devolution settlement in Wales and Scotland, as are health services in Northern Ireland, and rightly so—but it ill behoves politicians to try to divide the NHS. It is a wonderful institution that should make us all proud to be British.

On the specific question that the hon. Lady asked, of course we are guided by the science and take all factors into consideration. These are difficult judgments based on uncertain data, and we make the best judgments that we can. That is still the process we are going through, in the same way that the Scottish National party Government in Scotland have recently opened up parts of the rules in terms of social distancing, despite the rise in cases.

We face a challenging decision ahead of 21 June, but that decision is made easier by—indeed, the decision to open up is only possible because of it—the UK vaccination effort. Today marks six months to the day since Margaret Keenan in Coventry was the first person in the world to receive a clinically validated vaccine—the same day as Scotland, the same day as Wales. Since then we have delivered—

Mr Speaker: Order. It is not a statement, but an answer that we require. I call Dr Philippa Whitford to ask her second question.

Dr Whitford: I think the Secretary of State would find that most people in Scotland were rather glad that their NHS did not come under the Health and Social Care Act 2012 fragmentation. Having ignored the Scottish Government's call in February for all arrivals to undergo hotel quarantine, he then delayed adding India to the red list. This allowed the more infectious Delta variant, which one dose of the vaccine is less effective against, to enter and become dominant in the UK. Is he not concerned that, if he removes all social distancing completely in the near future, the variant will cause a covid surge among those who are not fully vaccinated?

Matt Hancock: As I was saying, Mr Speaker—

Mr Speaker: Maybe not.

Matt Hancock: Touché, Sir. In response to the hon. Lady's question, I will say this. The opening up and the return of our freedoms is only possible because of the UK vaccination effort. In the six months to the day since we first vaccinated across these islands—yes, in Coventry, but also in Scotland, Wales and Northern Ireland—we have delivered 68 million vaccines across the whole UK and saved thousands of lives, and the whole United Kingdom has been set fair on the road to recovery thanks to the UK Government's vaccination effort. I am very grateful to everybody in Scotland, Wales, Northern Ireland and England who has played their part in delivering it. That shows the benefit of the United Kingdom Union saving lives and working together for everybody on these islands.

Adult Social Care Reform

Karl Turner (Kingston upon Hull East) (Lab): If he will publish a timetable for adult social care reforms. [900821]

Christine Jardine (Edinburgh West) (LD): If he will hold discussions with relevant cross-party stakeholders on social care reforms. [900824]

Kim Johnson (Liverpool, Riverside) (Lab): If he will publish a timetable for adult social care reforms. [900828]

Dave Doogan (Angus) (SNP): What steps his Department is taking to bring forward proposals on social care reform. [900851]

Mike Amesbury (Weaver Vale) (Lab): If he will publish a timetable for adult social care reforms. [900858]

Dame Diana Johnson (Kingston upon Hull North) (Lab): If he will publish a timetable for adult social care reforms. [900863]

The Minister for Care (Helen Whately): I am hugely ambitious about social care reform. I want a sustainable care system that meets people's needs and aspirations and gives them the care and support they need to live life to the full. We are working on proposals for reform and will bring those forward later this year.

Karl Turner [V]: This Government are responsible for over 40,000 needless deaths from covid-19 in care homes. A plan to fix social care in this country is long overdue. This crisis is not new—people are routinely forced to sell the family home to pay for care. The workers are paid peanuts, while the 13 million unpaid carers are left to pick up the pieces. Does the Minister agree that we have had far too many vague promises and that unpaid carers cannot wait a minute longer?

Helen Whately: I agree with the hon. Member that there are many challenges for social care, and that is one reason why many Governments have talked about social care reform. As he will understand, over the last year, we have rightly focused on supporting social care through the pandemic, but we are working on our proposals for reform and will bring them forward later this year.

Christine Jardine [V]: Almost two years ago, the Government promised to fix social care once and for all, but we have seen in this pandemic that it is still seriously broken. Care does not stop at the hospital exit or the GP's door. Carers have sacrificed physical and mental health caring for loved ones during the pandemic; 72% have had no break, and 44% say they are at breaking point. In national Carers Week, will the Minister commit to cross-party talks in the immediate term to fix the social care crisis throughout the UK?

Helen Whately: As the hon. Member says, this week is Carers Week, which is a really good opportunity to raise awareness about the important role that carers play in supporting loved ones and to remember something that I personally am committed to: we must support carers not only in the care that they do but to live their own lives, for which respite care is really important. As part of our reforms to social care, we are listening to carers and want to ensure that their needs are met.

Kim Johnson: In July 2019, the Prime Minister stood on the steps of Downing Street and pledged to fix the broken social care system. Two years on, we are still waiting. There were only warm words in the Queen's Speech a couple of weeks ago:

> "Proposals on social care reform will be brought forward."—[*Official Report, House of Lords,* 11 May 2021; Vol. 812, c. 2.]

Can the Minister tell us when the Government will move from rhetoric and warm words and fix this broken system for the people she has just mentioned, who need it desperately?

Helen Whately: I welcome the hon. Member's support for and interest in social care reform, along with others across the House. We know that social care reform is needed. We have rightly over the last year focused on supporting social care through the pandemic, getting £1.8 billion of extra funding for social care to the frontline and providing billions of items of PPE, over 100 million tests to social care and the vaccination programme to care home residents, those who receive social care and the workforce. We are working on our social care reforms and will bring those forward later this year.

Dave Doogan: Many in this place and across England will be asking, "Where is England's long-awaited social care Bill?" because they will have seen that the SNP Government are delivering a new deal for the social care sector in Scotland, building a new national care service that will improve workers' conditions and standards of care, and increasing investment in care by 25%. Will the UK Government follow Scotland's lead in transforming social care, and will the Minister contact Scottish Government Ministers to learn from our over a decade-long experience of integrating health and social care?

Helen Whately: One of the great strengths of our United Kingdom is our ability to work together and learn from different parts of the UK. We also look at the best in England and, of course, in Wales, Scotland and Northern Ireland. The hon. Gentleman mentions the care workforce. We absolutely want to make sure that this important workforce are front and centre of our social care reform plans and that they receive the training, opportunities, recognition and reward that they deserve.

Mike Amesbury: The Government have had 11 years to reform social care, but with cuts of £8 billion over that period, it is fragmented and costly and does not value workers and employees. Is it not time that the Minister and the Government grab the bull by the horns and introduce a national health and social care service? When are reforms going to come into play—what day, what month, what year?

Helen Whately: It is not just over the period mentioned by the hon. Member that social care reforms have been talked about; this goes back at least 25 years, to when Tony Blair was the Labour leader and Prime Minister. He talked about reforms to social care, but he has also said that it is not simple; these are complex problems to address. When people talk about how social care needs fixing, different people mean different things. That is why, as part of our reforms, we are going to bring forward a long-term plan for reforming social care.

Dame Diana Johnson: Can I just say to the Minister that I think most Members of the House of Commons will find her attitude incredibly complacent on one of the key issues that faces most families in this country? As my hon. Friend the Member for Weaver Vale (Mike Amesbury) has just said, there has been an £8 billion cut to social care since 2010. One of the steps she could take straight away is to reinstate that £8 billion to local authorities, so that they can at least provide services through the social care system that we have.

Helen Whately: I have huge respect for the right hon. Lady and her work in many areas, but I am disappointed by her language. She will appreciate that, together, the Department, local authorities and the care sector are working hard on how to bring forward the right package of reforms for the system. We have already taken some of the first steps on that road. For instance, the health and social care Bill includes plans to strengthen oversight of the social care system. That is an important step, but it is the beginning, not the end, of the social care reform road.

Liz Kendall (Leicester West) (Lab): Six hundred and eighty-five days ago, the Prime Minister promised to fix the crisis in social care to give every older person the dignity and security they deserve. Since then, more than 32,000 elderly people have died from covid-19 in care homes, millions of care workers and families have felt abandoned and pushed to breaking point, and 300 elderly people have been forced to sell their homes to pay for their care every single week. Does the Minister think that has given people security, let alone dignity, and will she tell the country, after more than a decade in power, specifically when her Government will deliver?

Helen Whately: What I will say, after the enormously difficult year that social care has had through the pandemic, is that that has indeed strengthened the already strong case for reform of social care. I will say to the hon. Member that I want us to have a better social care system, whether it is for our grans and grandads, mums and dads, brothers and sisters, children and grandchildren, or, indeed, as and when we need it ourselves. We have a once-in-a-generation opportunity to reform social care. Now is the time, now is the moment and we will seize this opportunity. We will be bringing forward proposals for reform of social care later this year.

Food Standards Agency

Anthony Mangnall (Totnes) (Con): What recent (a) discussions and (b) meetings he has had with the Food Standards Agency. [900822]

The Parliamentary Under-Secretary of State for Health and Social Care (Jo Churchill): My ministerial colleagues and I are in regular contact with the Food Standards Agency on matters of common concern.

Anthony Mangnall: Next week the Food Standards Agency will produce its annual report and hold its annual general meeting. That report is likely to recommend significant changes regarding live bivalve molluscs, which have a huge impact on my constituency and on the health of the nation for those who eat seafood. Will the Minister commit that any changes recommended in the report next week will be brought forward in record time, so that they may be implemented quickly and we can secure the future of the seafood industry in the United Kingdom?

Jo Churchill: It is a change to be talking about a different sort of mussel in this place during Health questions. The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Banbury (Victoria Prentis) and I are well aware of the challenges that currently face the shellfish industry, and I thank my hon. Friend the Member for Totnes (Anthony Mangnall) for his dogged determination, especially on behalf of those businesses that rely on exports. We will continue to work closely with the FSA, which I know has been working hard to resolve these issues and make progress. I have been advised that there is potential for change to ensure that classifications are awarded in a proportionate and pragmatic way, while continuing to ensure high levels of public health protection. I assure my hon. Friend that I will continue to work closely with the FSA and with my colleagues in DEFRA.

Psychiatric Intensive Care Unit: Dorset

Chris Loder (West Dorset) (Con): What steps he is taking to support the construction of a new psychiatric intensive care unit in Dorset. [900823]

The Minister for Health (Edward Argar): I am grateful to my hon. Friend, not least for providing me with my only opportunity to answer a question on the Order Paper today. I am delighted to confirm that St Ann's Hospital in Dorset is already part of our plan to build 48 hospitals by 2030—the biggest hospital building programme in a generation. The new build at St Ann's will provide child and adult mental health services for the people of Dorset, resulting in outdated infrastructure being replaced by facilities for staff and patients that are at the cutting edge of modern technology, innovation and sustainability, driving excellence in this hugely important area of patient care.

Chris Loder: I thank the Minister for his hard work in reopening the Yeatman Hospital in Sherborne, which will happen in a couple of weeks for A&E. On top of what he has already offered, which I very much appreciate, will he commit specifically to increase inpatient provision for children and young people in West Dorset with severe mental health difficulties, as we have a number of difficult cases?

Edward Argar: My hon. Friend takes a great interest in these matters and, as he will know, the number of places commissioned is a matter for NHS commissioners locally. I reassure him that we can commit, and my hon. Friend the Minister for mental health services is committed, to expanding and transforming community mental health services across England, boosted by an additional £79 million this year, so that children and young people get timely access to the support and treatment they need, without having to be admitted to hospital. That is, of course, alongside the investment to which I have referred for inpatient mental health facilities at St Ann's.

Mental Health Treatment Reform

Ian Levy (Blyth Valley) (Con): What steps his Department is taking to reform mental health treatment. [900825]

Damian Hinds (East Hampshire) (Con): What steps his Department is taking to reform mental health treatment. [900829]

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): What recent assessment his Department has made of changes in waiting times for mental health treatment. [900860]

The Minister for Patient Safety, Suicide Prevention and Mental Health (Ms Nadine Dorries): We are transforming mental health services through the NHS long-term plan, investing an additional £2.3 billion a year by 2023-24. Where national waiting time targets exist, the majority are being met. Targets for eating disorder services are sadly not being met, but additional resources have been allocated to increase capacity and address waiting times. We are working on the consultation responses for the Mental Health Act White Paper, and we will bring legislation forward when parliamentary time allows.

Ian Levy: After a career working in mental health for almost 30 years, prior to entering this House, I was delighted to be asked to become a board member for a local charity, Anxious Minds, which is based in Blyth town centre. Its aim is to improve mental health and wellbeing for local people. Will my hon. Friend assure me and those who worry about the toll that this pandemic has taken on the vulnerable that she will do everything she can to ensure that mental health is given the highest possible propriety as restrictions begin to ease?

Ms Dorries: I thank my hon. Friend for his years of service working in mental health. Mental health is one of this Government's top priorities, and I assure him that we are doing our utmost to ensure that mental health services are there for everyone who needs them. Through the NHS long-term plan, we are expanding and transforming mental health services in England and investing an additional £2.3 billion a year in mental health services by 2023-24.

In addition, we have published our mental health recovery action plan, backed by a one-off targeted investment of £500 million in addition to the £2.3 billion, to ensure that we have the right support in place this year. The plan aims to respond to the impact of the pandemic on the mental health of the public, specifically targeting groups that have been most impacted. We have set up a cross-Government ministerial group to monitor progress against the actions listed in the plan, and the group will also identify areas for further action and collaboration.

Damian Hinds: I welcome the priority put on young people's mental health, which is perhaps more important now than ever. Will the Minister give an update on progress on implementing the proposals in the children and young people's mental health Green Paper, particularly on mental health support teams in Hampshire and nationwide?

Ms Dorries: We are making good progress on implementing the Green Paper proposals, and I am pleased to say that we have established 11 mental health support teams in Hampshire. Nationwide, there are currently 180 mental health support teams, covering around 15% of pupils in England. Over 200 more are in training or being commissioned, and we expect to have around 400 in place by 2023-24, covering 35% of pupils. We recently announced £9.5 million to train thousands of senior mental health leads among school and college staff.

Lloyd Russell-Moyle: Last year, in my NHS trust 37% of children referred to mental health services were turned away. That was up from 28% the year before. That is 2,649 children not getting treatment despite referrals from professionals. That will be exacerbated, of course, by the acute children's mental health unit at Ticehurst being shut and no new hospital provision commissioned.

It is not just Sussex Partnership NHS Foundation Trust that is failing; it is services across the country. In 2019, 140,000 children were turned away from child and adolescent mental health services, and some experience exceptionally long waits. Is the Minister comfortable with these huge numbers of children being turned away from treatment? Does she think that these waiting times are acceptable? What message does she have for those children and families who do not receive the treatment that they desperately need?

Ms Dorries: The short answer to that question is no, and that is why we have committed an additional £500 million to address some of the issues that the hon. Gentleman highlights. However, I must reiterate that the majority of our targets, where they have been set, are being met. Sadly, in eating disorders—I hold my hands up—we are not meeting the targets that we want to, but as he may be aware, we are trialling four-week waiting targets for children and young people. The results of that review and pilot will be available soon.

We continue to look at ways in which we can increase access to services for children and young people. Children and young people have told me themselves, via organisations such as Barnardo's, that they want their mental health services delivered in a different way. They do not want to go and sit in a village hall or a hospital, or wherever they may receive their services from community practitioners; they want some of their services delivered via their phones, laptops or computers. Obviously, one-to-one services have to be available where they are needed, but children and young people are demanding a change, and we are going through that change now.

Dr Rosena Allin-Khan (Tooting) (Lab): My hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle) raises a very important point and, frankly, I am shocked that the Minister seems so relaxed about it. Across the country, there are numerous children who have waited more than 400 days for help with autism; 280 days for post-traumatic stress disorder; 217 days for suicidal ideation; 195 days for treatment after an overdose—I could go on and on. Children should not have to wait so long for treatment. That will have a scarring impact on their development. These waiting times simply are not acceptable, so will the Minister apologise to these children, and can she explain where it went so wrong?

Ms Dorries: I do not believe that meeting almost all our targets for NHS waiting times for mental health services, with £2.3 billion a year of investment into our NHS and no NHS mental health service closing during the entire pandemic, has been a failure. Of course I am sorry for those children and young people who cannot get access to services as quickly as they want; that is exactly why we committed an additional £500 million and established a mental health recovery plan: so that we can put community services in place to reach those who have been impacted most by the pandemic over the past 15 months. We have a long-term plan in place, with the investment that the NHS tells us that that long-term plan needs to provide the very services that we want to provide. The mental health of children and young people is this Government's priority. We will continue to invest, and are proving to continue to invest, to make sure that those children and young people access the services they need.

Covid-19: Restoration of GP Services

Robert Largan (High Peak) (Con): What steps his Department is taking to support the full restoration of GP services as part of the covid-19 recovery. [900826]

David Johnston (Wantage) (Con): What steps his Department is taking to support the full restoration of GP services as part of the covid-19 recovery. [900835]

Paul Howell (Sedgefield) (Con): What steps his Department is taking to support the full restoration of GP services as part of the covid-19 recovery. [900840]

The Parliamentary Under-Secretary of State for Health and Social Care (Jo Churchill): General practice has remained open throughout the pandemic, offering face-to-face appointments as well as telephone and online consultations, while playing a leading role in our vaccination programme. We are enormously grateful to general practices, the GPs and their broader teams for everything that they have done, but to ensure that general practice can continue to provide all necessary and appropriate care during this very busy time, we have made an additional £270 million available until September.

Robert Largan: If it is done right, we can use technology and data to improve healthcare services, improve patient outcomes and help to save lives, so I welcome the proposals for a new GP data system, but it is vital that we get this right with the appropriate protections in place. With that in mind, will the Minister update the House on these vital reforms?

Jo Churchill: I could not agree more. Data saves lives —it is as simple as that. We have seen that in the pandemic, and it is one of the lessons of the vaccine roll-out. The GP data programme will strengthen the system and save lives. Patient data is, of course, owned by the patient. We are absolutely determined to take people with us on this journey. We have therefore decided that we will proceed with the important programme, but we will take some extra time, as we have conversed with stakeholders over the past couple of days. The implementation date will now be 1 September. We will use this time to talk to patients, doctors, health charities and others to strengthen the plan, build a trusted research environment and ensure that data is accessed securely. This agenda is so important, because we all know that data saves lives.

David Johnston: I have been contacted in recent weeks by quite a number of constituents who are struggling to get a GP appointment, but we have a pre-covid problem as well, which is that thousands and thousands of new houses have gone into the constituency without an increase in GP services. Will my hon. Friend meet me to discuss how to get my constituents the GP services that they need and deserve?

Jo Churchill: It is right that local health commissioners pay careful regard to the impact of new housing and growing areas, which is to be welcomed. I understand that both practices in my hon. Friend's area are still accepting patients and that the Oxfordshire clinical commissioning group has been working closely with the practices in Wantage to make sure that the impact of housing growth is being accommodated, which I expect all CCGs and councils to be doing. I would be happy to meet my hon. Friend to discuss the matter further.

Paul Howell: I recently met two cancer groups in Sedgefield, the Solan Connor Fawcett Family Cancer Trust and the Great Aycliffe Cancer Support Group, and heard about the wonderful work that they have been doing over the past year. We also discussed how delayed GP appointments have affected early diagnosis of important medical issues such as cancer. Early diagnosis is necessary to provide patients with the best chance of stopping the cancer spreading and of recovering. Furthermore, the later cancer is caught, the more complicated cases become; they take more time and more resources and, of course, are horribly distressing. Will the Minister please tell me what is being done to ensure that backlogs in appointments are being addressed as urgently as possible?

Jo Churchill: I pay tribute to all the cancer charities out there who have done sterling work during the pandemic. As I have said, GP services are open, and they are offering different forms of communication with patients. We are running the Help Us, Help You campaign so that people can come forward when they have symptoms. As my hon. Friend says, identifying cancers early to save lives is part of the long-term plan, but I would like to assure him that my latest data showed that in March 2021 we had the highest ever recorded number of GP referrals for cancer. GPs are working really hard, and if patients are worried about any symptoms, they need to come forward.

Alex Norris (Nottingham North) (Lab/Co-op): For GPs and for the NHS more broadly, using data effectively is an important way to restore our health services. However, the current plans to take this data from GPs, assemble it in one place and sell it to unknown commercial interests for purposes unknown has no legitimacy whatsoever. There has been no public engagement and no explanation; this has simply been snuck out under the cover of darkness—*[Interruption.]* I will get there, Minister; do not worry. This is an NHS data grab. The news of the delay is welcome and I am glad that the hon. Lady has made that commitment, but within that, will she commit to ensuring that the 23 June opt-out date is also moved to 1 September and that there will be a full public consultation on whether people want their data used for these purposes?

Jo Churchill: I refer the hon. Gentleman to the answer I gave earlier to my hon. Friend the Member for High Peak (Robert Largan). We will be considering everything in the round. As I have said, I have spoken to many of the stakeholders involved and as we move forward we will be ensuring that we take all trusted individuals with us to build confidence in the system.

Organ Donation (Deemed Consent) Act 2019

Dan Jarvis (Barnsley Central) (Lab): What recent assessment he has made of the effectiveness of the Organ Donation (Deemed Consent) Act 2019 in increasing the number of organs available for donation. [900827]

The Minister for Care (Helen Whately): The organ donation opt-out system has increased the number of organs available for transplant and is saving hundreds of lives. Since the law changed last year, 296 people in England have donated their organs under the opt-out system. These donations account for 29% of the 1,021 donations that took place last year.

Dan Jarvis [V]: I am grateful to the Minister for that response. She will know that 20 May marked one year since Max and Keira's law came into effect—a change that will give hope and save lives—but despite the tireless efforts of NHS staff, covid has had a devastating impact on patients in need of life-saving operations. Can the Minister outline how she is going to get organ transplant services back to pre-pandemic levels and tell us what additional resources will be committed in order to support an increase in organ availability?

Helen Whately: I would first like to thank the hon. Member for the part he played in campaigning for this life-saving change to organ donation and bringing about the increase that I mentioned earlier. The current services are now running at pre-covid levels and NHS Blood and Transplant is working with the wider healthcare system to enable as many transplants as possible. The new Organ Donation and Transplantation 2030: Meeting the Need strategy, which was launched last Tuesday, sets out the steps we are taking to increase organ availability further.

Medical Cannabis

Ronnie Cowan (Inverclyde) (SNP): What recent progress his Department has made on helping to ensure that medical cannabis is accessible to people who require it under prescription. [900830]

The Parliamentary Under-Secretary of State for Health and Social Care (Jo Churchill): I have discussed these concerns with the hon. Member and with the co-chairs of the all-party parliamentary group on medical cannabis under prescription, and he knows that I sympathise deeply with the parents of these children and with the patients and their families, many of whom I have met. They are dealing courageously with conditions that are difficult to treat. My immediate priority was to resolve the supply of Bedrocan oil from the Netherlands. I have further meetings planned to make progress on other issues in this incredibly complex situation.

Ronnie Cowan [V]: I welcome today's letter from the Minister detailing the extension of the arrangements for the provision of Bedrocan, and I am pleased that we are working towards the manufacture of Bedrocan oils in the UK. I have two issues today. The first is that patients still need to pay for their medicines. If the numbers are so small and this is such a niche product, surely it could be provided free on the NHS. Secondly, I have been told that research is ongoing regarding the wider possibilities for medical cannabis, but despite being promised an update a month ago, I am still waiting for one from the Medicines and Healthcare Products Regulatory Agency on clinical trials and the licence application. Could that please be forthcoming?

Jo Churchill: As the hon. Gentleman knows, I have met Dr June Raine from the MHRA and subsequently met further specialist clinicians in this area to discuss progress with the research and evidence on supporting prescribing on the NHS. Establishing clinical trials is vital, with the support of the National Institute for Health Research, to make sure that we are making the right decisions on routine funding. From 1 April, we have introduced a national patient registry to record data and monitor patient outcomes in England, with a view to it being rolled out across Scotland and the other devolved Administrations later this year; this covers both licensed and unlicensed cannabis-based medicines on the NHS, with a view to including private patients in due course. As he knows, I am very focused on making sure we get the right solutions for families, but at the heart of this matter always has to lie the safety of what we prescribe.

Mr Speaker: Question 24 about covid-19 variants has been withdrawn, but if the Minister can give a response, we can go to Justin Madders for his supplementary question.

The Parliamentary Under-Secretary of State for Health and Social Care (Jo Churchill): The Government have produced a four-step road map to ease restrictions across England. Before each step, an assessment is made against the four tests, including assessing the current risk posed by variants of concern. The move to step 3 on 17 May was based on the assessment that the risks were not fundamentally changed by those variants of concern. Step 4 is due no earlier than 21 June and the variants of concern will again be considered in advance.

Justin Madders: On Sky News, on Sunday, the Secretary of State was asked about figures that contradict his claim that India was not put on the red list at the same time as Bangladesh and Pakistan because positivity rates were three times higher in those countries. In response, he said that he did not recognise those figures, but he should have done, because they are his own figures from Test and Trace. Indeed, there are no published figures for the time the decision was made that support his claim. Given the allegation that the only reason there was a delay in putting India on the red list was to help secure a trade deal, and given that this delay is now having serious consequences, will the Minister agree to publish all the data and advice on which the decision was based, in the interests of transparency and accountability?

Jo Churchill: The positivity rates were three times higher from Pakistan than they were from India when we made that decision. As the hon. Gentleman knows, we keep these things under constant review and we would be equally lambasted if decisions were made before we had the correct information. Acting when we have the right information on variants of concern is an important thing; we will keep following the data.

New Hospital Construction

Mr Peter Bone (Wellingborough) (Con): What recent assessment he has made of the progress of the construction of new hospitals. [900832]

The Secretary of State for Health and Social Care (Matt Hancock): In October, the Prime Minister confirmed a £3.7 billion funding allocation over the next four years to support the delivery of 40 new hospitals by 2030, and I am delighted that that includes Kettering General Hospital. We have since confirmed that there will be 48 new hospitals built by 2030, and six of those projects are under way.

Mr Bone: I am delighted that one of the new Boris hospitals will be built on the site of Kettering General, starting with an accident and emergency department and with the whole hospital being finished by 2027. Unfortunately, there may well be a substantial delay to that because of red tape and bureaucracy. Will the Secretary of State use his great skills, bang some heads together, and get the pen-pushers and accountants to sort out the delay so that we can get on with this? Will he be kind enough to meet the three hon. Members who represent north Northamptonshire to discuss the issue?

Matt Hancock: Nothing gives me greater pleasure than making stuff happen, so I would be very happy to meet my hon. Friend and the nearby colleagues who represent the people served by Kettering General Hospital to make sure we can get this project moving as soon as we can.

Mr Speaker: You can rebuild Chorley hospital at the same time.

Office for Health Promotion: Mindfulness

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): What steps the Office for Health Promotion plans to take to promote mindfulness in supporting good health. [900834]

The Minister for Patient Safety, Suicide Prevention and Mental Health (Ms Nadine Dorries): Work on the scope and organisation design of the Office for Health Promotion is ongoing. We will present more detail on our plans for the OHP in due course. Public Health England's "Better Health—Every Mind Matters" social marketing campaign aims to inform and equip the public to look after their mental health. Its NHS-endorsed website offers guidance on the actions that people can take to improve their mental wellbeing, including by practising mindfulness and reflection.

Margaret Ferrier [V]: Research shows that mindfulness training can contribute to improvements in obesity, eating behaviours, addiction and mental health and wellbeing. Will the Minister ensure that the Office for Health Promotion looks at the evidence of how mindfulness can help with how we all manage our health?

Ms Dorries: There is emerging evidence on the mental health benefits of mindfulness, which can take the form of meditation or wider approaches that incorporate a mindful approach. As the hon. Lady may be aware, I have been particularly concerned that we separate out mental illness and wellbeing and mindfulness. We should focus on mental illness, which needs intense clinical intervention in NHS services, but also look at mindfulness and wellbeing. That is why I mentioned "Every Mind Matters": the facilities are there.

Pharmacies: Range of Work

Mr Laurence Robertson (Tewkesbury) (Con): What steps he is taking to increase the range of work carried out by pharmacies. [900836]

The Parliamentary Under-Secretary of State for Health and Social Care (Jo Churchill): The pandemic has proven to the public how vital our highly skilled pharmacy teams are in supporting their communities. Pharmacies have massive potential to build on the new services they are already delivering, and we will continue to look at how we can use them further.

Mr Robertson: I thank the Minister for that answer. Can we also make sure that the public are aware of everything that pharmacies can do, so that they can use them to take pressure off GPs?

Jo Churchill: Indeed we can. I would be honoured to work with my hon. Friend to do that so that people think "pharmacy first". Pharmacies are delivering lateral flow devices into our communities; 500 of them have stood up to be vaccination sites; and we can now refer from NHS 111 and GPs into community pharmacies for the supply of prescribed medicine and for minor illnesses. We need our pharmacies to show their skill base; they are a highly skilled group that we should all be asking to do more and celebrating.

Topical Questions

[900880] **Dr Jamie Wallis** (Bridgend) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health and Social Care (Matt Hancock): I can tell the House that today, working with local authorities, we are providing a strengthened package of support, based on what is working in Bolton, to help Greater Manchester and Lancashire to tackle the rise in the delta variant that we are seeing there. The support includes rapid response teams, putting in extra testing, military support and supervised in-school testing. I encourage everyone in Manchester and Lancashire to get the tests on offer. We know that this approach can work: we have seen it work in south London and in Bolton, stopping a rise in the number of cases. This is the next stage of tackling the pandemic in Manchester and Lancashire. It is of course vital that people in those areas, as everywhere else, come forward and get the jab as soon as they are eligible, because that is our way out of this pandemic together.

Dr Wallis: Currently, all primary care providers in Wales remain on amber alert, which means that many of my constituents in Bridgend are unable to access necessary services unless it is an emergency. Will my right hon. Friend explain how this situation compares to his Department's strategy to provide catch-up services as we come out of lockdown?

Matt Hancock: It is very important that, across the country, the UK is open, the NHS is open and that people can come forward and get treatment if they need it. As my hon. Friend knows, I work closely with the delivery of the NHS in Wales. The NHS there is of course the responsibility of the devolved Administration, but I am happy to take up his concern with the new Welsh Minister for Health and Social Services to see what we can do.

Jonathan Ashworth (Leicester South) (Lab/Co-op): We have seen reports today of how exhausted NHS staff are. The Secretary of State for Environment, Food and Rural Affairs said in the media this morning that he was not sure what more the Government could do to support NHS staff. Obviously, the Government could give them a pay rise, but will the Secretary of State for Health and Social Care also commit today to extending free hospital car parking for NHS staff beyond the pandemic?

Matt Hancock: Of course, we have made hospital car parking free for staff during the pandemic. That is one of the many, many things that we have put in place to support staff. Staff wellbeing support and mental health support have also been incredibly important, learning, as we have done, from the support that we give to others in public service who go through traumatic episodes. The right hon. Gentleman is quite right that there is a wide array of things that we need to do to support NHS staff on the frontline.

Jonathan Ashworth: I wanted a commitment to extend the relief of hospital car parking charges beyond the pandemic.

The Secretary of State knows that waiting lists are at 5 million and that 432,000 people are waiting beyond 12 months. Once we are through this pandemic, the priority must be to bring those waiting lists down, but he is about to embark on a reorganisation of the NHS with his integrated care legislation. Local boards permit the private sector to have a seat on them. Virgin Care has just been given a seat on the integrated care system in Bath and North Somerset. He once promised that there would be no privatisation on his watch, so will he instruct that ICS to remove Virgin Care from its board?

Matt Hancock: The right hon. Gentleman is absolutely right that integrating the health service with services provided by local authorities, such as social care, is absolutely critical, and I know that he supports those proposals that have come from the NHS. When it comes to delivering services in the NHS, what matters to patients is that they get high-quality services, for instance, to deal with the backlog, and what matters is getting those services as fast as we possibly can. People care much less about who provides the service than they do about the service getting delivered, and that is the approach that I take, too.

Mr Speaker: I call the Chair of the Health and Social Care Committee.

Jeremy Hunt (South West Surrey) (Con): Today, the Health and Social Care Committee published its report on NHS and social care staff burnout, which chronicles the emotional exhaustion and chronic fatigue felt by many frontline staff in the past year. Much support has been put in place; the 50,000 nurse target is welcome, the extra doctors and nurses hired during the pandemic extremely welcome, but still we have shortages in nearly every specialty, leading to a sense of despair. Will my right hon. Friend consider the recommendation that we make today that Health Education England should be given the statutory power to make independent workforce projections, rather as the Office for Budget Responsibility does for Budget forecasts, so that we can at least look doctors and nurses in the eye and say that we are training enough of them for the future?

Matt Hancock: I am very happy to work with the Select Committee on the forthcoming health and care Bill. The Committee has already had a huge amount of input into that Bill, and I am sure that, during its passage, we will be working together on making sure that this piece of legislation, which has cross-party support, can come through the House in the best possible state. I am very happy to look at the specific proposal, but what I would say is that we have been recruiting record numbers of doctors and nurses to try to make sure that the NHS is always there for all of our constituents and their families.

[900881] **Kirsten Oswald** (East Renfrewshire) (SNP): The British Medical Association has warned that the freezing of the lifetime and annual pensions tax allowance until April 2026 could significantly impact the retention and overtime of health and care staff, with 72% of doctors that it surveyed saying that it would make them more likely to retire early. What consideration has been given to the BMA's proposal of offering a tax unregistered scheme, similar to that of the judiciary, for those in the NHS?

Matt Hancock: We made very significant progress on this in the Budget immediately following the general election, as the hon. Lady will know. That has removed this problem for the vast majority of doctors who serve in the NHS. I am very glad that we were able to make that progress. I am always happy to look at suggestions from the unions and others, but I am glad to say that we have made a good deal of progress on this one.

[900883] **Mark Eastwood** (Dewsbury) (Con): Despite the recent rise in infection rates, covid-related deaths and hospital admissions remain low across my constituency. Surge vaccinations and testing have been effectively rolled out in high-risk areas, and pop-up vaccination centres, such as the Darby and Joan Club in Clayton West, are doing a fantastic job. Given that, can my right hon. Friend assure the people of Dewsbury, Mirfield, Kirkburton and Denby Dale that there will be no need to introduce local restrictions in the future?

The Minister for Covid Vaccine Deployment (Nadhim Zahawi): I join my hon. Friend in congratulating the whole team on the incredible work that they did in pretty difficult and urgent circumstances. I reassure him that, as the Prime Minister has said and as the Secretary of State has said from the Dispatch Box, we want the whole country to come out of this lockdown together.

[900882] **Mr Virendra Sharma** (Ealing, Southall) (Lab) [V]: My constituents continue to be concerned that covid-19 is being used as an excuse to remove services from Ealing Hospital permanently. Accepting temporary suspensions for covid-19 is fine, but will the Secretary of State confirm that this public health crisis will not be used as an excuse to scrap services without following proper consultations and undertaking rigorous impact assessments?

Matt Hancock: Yes.

[900887] **Robbie Moore** (Keighley) (Con): The Airedale General Hospital celebrates its 51st birthday this year, despite having a life expectancy of 30 years when it was originally built and 83% of it being built from aerated concrete, which is known for its structural deficiencies. My right hon. Friend the Secretary of State is well aware of my campaign to get a rebuild of the Airedale hospital, so that we can mitigate the risk of those structural deficiencies. Will he visit the hospital to meet me and Brendan Brown, the chief executive, so that we may discuss the plans in more detail?

Mr Speaker: I think the answer is yes.

Matt Hancock: Mr Speaker, not only has my hon. Friend made a compelling case for me to visit, but you have just told me to visit, so I have my marching orders. I look forward to my now forthcoming visit to Airedale hospital. I have not been yet, so I am very keen to come.

The Minister of State responsible for the hospital building programme has been heavily involved, and I have been looking at the paperwork. As my hon. Friend knows, on top of the 40 hospitals we announced—six of which are already being built—we have eight further slots to come, and Airedale hospital is very much on my radar for those slots. We will run an open competition and will make sure it is fair, but I will certainly visit.

[900885] **Stella Creasy** (Walthamstow) (Lab/Co-op) [V]: This week, the Prime Minister praised the major benefits of the private finance initiative companies that are part of the LIFT—NHS Local Finance Investment Trust—initiative running GP services. That is why I am sure that the Secretary of State will be disappointed to learn that here in Walthamstow, Community Health Partnerships, a PFI LIFT company that we estimate has made several millions of pounds of profit from the deal on top of its service charges, and which the Secretary of State is ultimately in charge of, has just handed our local toy library a business rates bill of £30,000 for during the pandemic. I hate to add to the Secretary of State's busy diary, but will he meet me to discuss what we can do to ensure that such companies stop making major profits from our NHS services and that benefits such as a toy library are not lost due to their antics?

Matt Hancock: Yes, I will ensure that the Minister of State takes a meeting with the hon. Lady.

[900889] **Nickie Aiken** (Cities of London and Westminster) (Con): I am sure that my right hon. Friend saw Fergus Walsh's report on the BBC news last week on spinal muscular atrophy and the importance of the UK's newborn screening programme. Surprisingly, the UK screens for only nine rare diseases in the heel-prick test, compared with other European countries such as Iceland and Italy, which test for 47 and 43 diseases, respectively. The sooner the diagnosis for a child with a rare disease the better, because it can change their life and their life chances. With that in mind, does my right hon. Friend agree that the UK should now consider expansion of the newborn screening programme? Will he meet, or ask a Minister of State to meet, me and campaigners on the issue?

Matt Hancock: Yes, absolutely, I 100% agree with my hon. Friend. We have the funding to expand that programme. She will have seen in our national genomics healthcare strategy that newborn screening is specifically highlighted. It is a personal mission of mine to make that happen. I am happy to meet her and Baroness Blackwood, the chair of Genomics England, who has been driving the project forward.

[900888] **Abena Oppong-Asare** (Erith and Thamesmead) (Lab): Early diagnosis gives the best chance of survival, but a GP in my constituency has expressed serious concerns about delays in accessing urgent blood tests, which are critical to diagnose cancer. Will the Secretary of State ensure that local issues such as this do not worsen the already significant cancer backlog and put more people's lives at risk?

Matt Hancock: Yes. The hon. Lady raises a very important issue, and if she writes to me with the full details, we will get right on it.

[900890] **Caroline Ansell** (Eastbourne) (Con) [V]: I am delighted to report back to my right hon. Friend that the University of Brighton, which has a campus in Eastbourne, has experienced a significant rise in the number of applications to study for careers in health professions. A shortage of training placements is the only real brake on the numbers of would-be students. I understand from having talked to the university that in the UK students must complete over 2,000 hours in placement. That is in contrast to Australia's and New Zealand's 1,000 hours. Is that seemingly high requirement under review with Health Education England so that

we do not miss an opportunity to capture this new interest, build the NHS workforce of the future, open opportunities to all those who have the talent to succeed, and further secure my home town as a destination for studying?

The Minister for Care (Helen Whately): My hon. Friend makes a really important point. Nurse education standards are set by the Nursing and Midwifery Council. Its current standards are based on EU law, but that no longer applies to the UK, and it has launched a survey on whether those standards should change. Acceptances for pre-registration nursing programmes at English universities for 2020-21 increased by over 5,000 since the previous year.

[900892] **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): Many constituents have con, deeply concerned by Government proposals to grab, store and share GP health data. Can the Secretary of State tell me this: if I opt out of this data grab, will my health data be available to a hospital outside my home area should I have an accident, for example? If I do not opt out of it, how can I control how my data is shared, whether individually or in aggregate? I do not want to have to choose between privacy and my health.

Matt Hancock: The hon. Lady is quite right, and if she was in the Chamber earlier, she would have heard the Under-Secretary of State, my hon. Friend the Member for Bury St Edmunds (Jo Churchill), say that we are going to delay the deadline for this programme, including the opt-out, which is currently scheduled to end on 23 June. That has already been welcomed, while we have been in here, by the Royal College of General Practitioners and the British Medical Association, and then we will work through these issues. Everybody agrees that data saves lives. We have to make progress in this area, and it is very important that we do it in a way that brings people with us and resolves exactly the sorts of issues that she raises.

[900891] **Jason McCartney** (Colne Valley) (Con): Although covid cases remain above the national average across Kirklees, thankfully hospitalisations and deaths remain low. Locally, my constituents are getting vaccinated and tested. Can the Health Secretary please confirm that he will not reintroduce local restrictions?

Matt Hancock: I am really glad to say that in Bolton and other parts of the country where we have sent in a big package of support, including surge testing—as we have done in Kirklees—we have seen a capping-out of the increase in rates without a local lockdown thanks to the enthusiasm of people locally and, of course, the vaccination programme. That is our goal. Our goal is that England moves together. That is what we are putting these programmes in place to do, and we are seeing them work.

[900893] **Gareth Thomas** (Harrow West) (Lab/Co-op): Northwick Park Hospital, which serves my constituents, was the first to be hard hit by covid last year. At the height of the second wave in January, its remarkable staff were looking after some 600 patients. It needs investment in intensive care and recovery services. When Ministers receive the business case, can I ask them to look particularly sympathetically at it?

Matt Hancock: Yes.

[900894] **Greg Smith** (Buckingham) (Con): Macmillan estimates that the current backlog of people awaiting a first cancer treatment across England stands at 39,000 people. What plans can my right hon. Friend outline to bolster cancer services so that those people get the treatment they need?

Matt Hancock: Recovering the backlog that has been caused by the pandemic is a huge task for the NHS, and was raised by the right hon. Member for Leicester South (Jonathan Ashworth) from the Opposition Front Bench, quite rightly. The backlog has unfortunately been increased as a consequence of the pandemic. We have put in extra money—an extra £1 billion this year—and we are seeing cancer services running at 100% of their pre-pandemic levels, and in some cases above 100%, in order to get through the backlog. The most important thing for the public watching this and for my hon. Friend's constituents is to make sure the message gets out loud and clear that the NHS is open, and that if they have a problem, they should please come forward.

[900907] **Jonathan Edwards** (Carmarthen East and Dinefwr) (Ind): Diolch, Mr Speaker. What recent discussions has the Secretary of State had with the Home Office regarding the successful clinical trials in the use of psilocybin in helping to deal with depression? It is a natural chemical found in fungi.

Matt Hancock: That is not something that has yet come across my desk, but I will make sure that the relevant Minister writes to the hon. Gentleman with as much detail as we know.

[900895] **Paul Maynard** (Blackpool North and Cleveleys) (Con): Community defibrillators are vital potential life savers, and many community groups fund investment in them. However, it is concerning to hear that members of the public are denied access to defibrillators when they are on private land. What can Ministers do to ensure that access is presumed rather than subject to permission?

Matt Hancock: What my hon. Friend says is absolutely right. Of course if someone puts a defibrillator on private land, access to it should naturally be open to anybody who needs it. I will look into the exact legal status, but let us set aside the legal status for a minute. If there is a defibrillator on private land that could save somebody's life, the landowner should of course allow access to it for anybody who needs it.

Jessica Morden (Newport East) (Lab): As current Government investment in motor neurone research is not the targeted funding that is needed, will the Minister meet charities, researchers and patients to examine this discrepancy and commit to additional funding of £10 million a year for five years for a virtual motor neurone disease research institute, with a specific focus on helping us to get a world free of MND?

Helen Whately: I will look into the hon. Lady's specific request, but I can tell her that the Government are actively supporting research into motor neurone disease. For instance, in April I jointly hosted a roundtable event on boosting MND research with the National

Institute for Health Research/Sheffield Biomedical Research Centre, which brought together researchers and others. We are absolutely committed to this area of work.

Mr Speaker: Final question, Mark Harper.

Mr Mark Harper (Forest of Dean) (Con): Mr Speaker, I am very grateful that you could fit me in at the end.

Yesterday during the statement the Secretary of State did not have the information to hand on the efficacy of the covid vaccines in reducing serious disease and hospitalisation. He made a commitment, rightly, to set them out today at Health questions at the Dispatch Box; and I am delighted, with this question, to give him the opportunity to do so.

Matt Hancock: First, I can say that a single dose of the Pfizer or AstraZeneca jab offers protection of 75% to 85% against hospitalisation, while data on two doses, which is currently available only for Pfizer, indicates 90% to 95% effectiveness against hospitalisation and 95% to 99% effectiveness at preventing death. However, my right hon. Friend also asked specifically about the delta variant, and I said that I did not have the figure in my head for the reduction in hospitalisations. I do not know whether I should be glad, but I can report to him that the reason is that there is not yet a conclusive figure. This morning I spoke to Dr Mary Ramsay, who runs this research at Public Health England, and she told me that the figure is currently being worked on. The analysis is being done scientifically and should be available in the coming couple of weeks. This is obviously an absolutely critical figure and I will report it to the House as soon as we have it.

Mr Speaker: I will now suspend the House for a few minutes to enable the necessary arrangements to be made for the next business.

12.38 pm

Sitting suspended.

Ajax Programme

12.42 pm

John Healey (Wentworth and Dearne) (Lab) *(Urgent question):* To ask the Secretary of State for Defence if he will make a statement on what progress has been made with the Ajax armoured vehicles programme.

The Minister for Defence Procurement (Jeremy Quin): The Ajax family of vehicles will transform the British Army's reconnaissance capability. As our first fully digitalised armoured fighting vehicle, Ajax will provide crews with access to vastly improved sensors, and better lethality and protection. Maingate 1 approval was granted in March 2010. Negotiations with the prime contractor to recast the contract were held between December 2018 and May 2019. The forecast initial operating capability, or IOC, was delayed by a year to 30 June 2021—later this month—at 50% confidence, with 90% confidence for September 2021.

Despite the ongoing impact of covid, we have stuck by that IOC date, but of course, it remains subject to review. By the end of next week, we will have received the requisite number of vehicles to meet IOC. The necessary simulators have been delivered and training courses commenced. These delivered vehicles are all at capability drop 1 standard, designed for the experimentation, training and familiarisation of those crews that are first in line for the vehicles. Capability drop 3, applying the lessons of the demonstration phrase, is designed for operations.

We remain in the demonstration phase, and as with all such phases, issues with the vehicle have emerged that we need to resolve. We were concerned by reports of noise issues in the vehicle. All personnel who may have been exposed to excessive noise have been tested, and training was paused. It now continues with mitigations in place as we pursue resolution. We have also commissioned independent vibration trials from world-class specialists at Millbrook Proving Ground, which should conclude next month.

I assure the House that we will not accept a vehicle that falls short of our requirements, and we are working with General Dynamics, the prime contractor, to achieve IOC. Similarly, we are currently working with General Dynamics to ensure that we have a mutually agreed schedule for reaching full operating capability. That is subject to an independent review, which we have commissioned. This is an important project for the British Army, delivering impressive capabilities and employing thousands of skills workers across the UK. We look forward to taking it into service.

John Healey: That was a statement of astonishing complacency. We have seen £3.5 billion paid out, four years late, and just 14 vehicles delivered, light tanks that cannot fire while moving, and vehicle crews made so sick that the testing has been paused. If this is defence procurement that the Minister is content is broadly on track, how badly has it got to go wrong before he will admit that the contract is flawed? This project has been flagged red by the Government's own Major Projects Authority. The Defence Committee calls it

"another example of chronic mismanagement by the Ministry of Defence and its shaky procurement apparatus."

Yet the Defence Secretary is failing to get to grips with the failures in this system and failing our frontline troops as a result. He is breaking a promise he made to them in this House when he said:

"When it comes to equipment, the first thing is to ensure that we give our men and women the best to keep them alive and safe on a battlefield."—[*Official Report*, 7 December 2020; Vol. 685, c. 556.]

He has been in post for two years now. Since then, the black hole in the defence budget has ballooned by £4 billion up to £17 billion. Ministers are failing British forces and failing British taxpayers.

Have the Ajax problems of noise and vibration now all been fully fixed? How many personnel are under medical treatment following the Ajax testing, and what are the conditions they are being treated for? Can the Ajax now in fact fire while moving? Where will the gun turret be manufactured? What is the full updated cost of the Ajax programme? When will all these vehicles be delivered in full?

This is the largest single procurement contract outside nuclear, and it requires independent scrutiny, so will the Minister invite the National Audit Office to do an urgent special audit?

The Minister says that this is an important project for the British Army. He is right. The defence Command Paper makes it clear that the rapid further cut in Army numbers is directly linked to more advanced battlefield technology based on the Ajax. So will Ministers now halt the plans to cut Army numbers and focus instead on fixing this failing procurement system?

Jeremy Quin: I had imagined that whatever my response, the right hon. Gentleman would accuse me of being complacent. That is the expectation I had and I was not disappointed. We are not in any way complacent about our nation's defence and security. That is why we are investing another £24 billion in our defence and in our security over the next four years. We are absolutely on top of and getting to grips with our equipment programme and what will stem from it.

The right hon. Gentleman raised a number of issues. I can assure him that I am absolutely focused on this project achieving its IOC. I will not hide from him, as I have not from the House, that we have two primary concerns: noise and vibration. On noise, we have mitigations currently in place to enable a certain element of training, albeit reduced training. We are looking at two headsets that hopefully, within the next few weeks, will be approved for use, further extending what we can do in terms of training. But that does not get us to the root cause of the noise. We need to get to the root cause of the noise issues within this vehicle, be they mechanical or indeed electronic; this is, after all, the first digitalised platform of its kind anywhere. We need to resolve those issues.

We are concerned about vibration. I have to say that over many thousands of miles of testing GD has not had the same experience of vibration, but I absolutely trust the reports that have come to me from our service personnel. We are determined to get to the bottom of this. That is why we are using Millbrook, a world-class proving ground, to check exactly what noise comes back on vibration. It may come back with a good answer, but we await that answer. I can assure the right hon. Gentleman—I understand his concerns—that we will not take anything into IOC until we are satisfied that we are getting the kit that we require.

I can reassure the right hon. Gentleman on a host of other issues that he raised. I do not deny that we have serious issues that we need to resolve, but there are a number of points where there is a difference between what is certified and what the vehicle is capable of. I can reassure him that the vehicle is capable of going well ahead of 30 km per hour, but with newly trained crews, a certification has been placed restricting speed, and I would expect that to be lifted during the course of the next month. There has been a restriction in terms of going up over a reverse step. This is a vehicle that is capable of reversing over a 75 cm object. A restriction has been placed, and I expect that to be lifted shortly too. This is a vehicle that is capable of firing on the move. That is not something that we have certified it to do as yet. We are working through the demonstration phase, but we will continue to advance that demonstration phase. There will be issues; there always are in demonstration phases.

We do have issues to resolve, but as I say, the key ones are noise and vibration, both of which we are very focused on. I hope that we will be able to get resolution on all these issues, but it is what we are working with, with General Dynamics. It is a firm price contract, so £5.5 billion is the maximum that is payable, including VAT. Currently, we are at just under £3.2 billion spent. There is a heavy incentivisation on our suppliers to ensure that they get this over the line. We are working very closely with them at the very top level of their organisation. The joint programme office was delayed by covid, as the right hon. Gentleman will be aware. There were significant covid issues in Merthyr, and they did brilliantly through them. We have a joint programme office on the ground, and a combination of top-down and bottom-up will, I hope, enable us to make ongoing progress.

In terms of the reporting, as the right hon. Gentleman may be aware, an Infrastructure and Projects Authority report has been requested by the senior responsible owner, which was helpful. These things are helpful. It is helpful that SROs and their teams can speak honestly to the IPA and get proper independent assessments. That was conducted back in March, and it has certainly helped. I look forward to making further progress and reporting back on that to interested parties as we resolve the issues that are outstanding.

I reiterate that this is a first-class vehicle. It is the first of its kind. It has an important job to do. It is currently employing around 4,100 people across the length and breadth of the UK. I visited Merthyr, and I am proud of what they are doing there. We will, and we must, get this right and get it delivered.

Mr Tobias Ellwood (Bournemouth East) (Con): For some time, I have been warning the House about the growing, complex threats that our nation faces. Over the next decade, the world will become more unstable and more dangerous. That is why I have argued for an increase of the defence budget to 3%, to meet the integrated review obligations, but it makes the job harder of convincing the Treasury, Parliament and the taxpayer when we see so many errors, delays, cost overruns and redesigns.

The Ajax's predecessor, the Scimitar, weighed just 8 tonnes, yet Ajax weighs 43 tonnes—almost too heavy to fit in or be carried by many of our RAF aircraft. As the Defence Committee's report underlines, there seems little operational logic to the Army's land combat operational capabilities. We are reducing our main battle tank fleet. We are retiring all our armoured fighting vehicles completely and replacing the Warrior with the Boxer, which does not have a turret. I know that the Minister is committed to revisiting all this, and it is a massive headache, but with global threats on the increase, does he acknowledge that we must do better?

Jeremy Quin: There is always room to do better—I totally acknowledge that, and I thank the Chairman of the Select Committee for his comments. It may not be 3%, but a £24 billion increase is certainly good news for defence and something that was necessary. I can assure him that we are focusing on spending that well and in the interests of our armed forces.

The Ajax is going to be a real game changer on the battlefield. It is larger—it is some 40 tonnes—and Scimitar was a different capability, but my right hon. Friend would be the first to say that things have moved on. There is the range of sensors and the four dimensions that Ajax can produce, allowing it to stand off from the enemy. It is a significant sea change. It has that extra lethality compared with what went before and the extra protection that our troops deserve. This is a vehicle that has an incredibly useful role to play on the battlefield and as part of our operational advantage. The emphasis on our suppliers is to get it right.

Dave Doogan (Angus) (SNP): There is in the UK no shortage of MOD procurement debacles to draw on, such as the £4 billion Nimrod MRA4 scrapped before service or the Mk 3 Chinooks—half a billion pounds of aircraft that could not fly low or in bad weather—but this multibillion-pound Ajax failure sets a new low. The UK Government have presided over a procurement project that would see soldiers arriving late for operations in vehicles only capable of a pedestrian 20 mph, with a human endurance range of no further than 30 miles, and then unable to fight duty due to sensory impairment and pain caused by these £3.5 billion boneshakers. Can the Minister confirm that the sight system manufactured by Thales in Scotland is working perfectly and is unconnected with this broader failure? Where was the intelligent client at the heart of this project, and where was the learning from previous procurement fiascos? Is the Minister accepting personal responsibility for this debacle, and if so, how does he plan to atone?

Jeremy Quin: I thank the hon. Gentleman for his wide range of questions. I think he ought to be slightly careful in damning all defence procurement. He mentions Nimrod, but I am sure he is very proud to see Poseidon arrive in Lossie, and indeed the E-7 in due course. I hope he is proud of the work being done on the Type 26 and Type 31 on Rosyth and the Clyde, and the huge amount of work that is going through Scottish industry at the moment, including Boxer. Again, Thales is employed on that, and I am sure will do a good job. I have had no complaints, he will be pleased to hear, about the sighting systems that are made, as he rightly says, by Thales—in Glasgow, I believe, but certainly in Scotland. We are going through the demonstration phase, and as an intelligent client, the MOD is required to check everything we are receiving. I reiterate that we will not take something into service and accept IOC until we are ready to do so, and we are holding our suppliers to account.

Felicity Buchan (Kensington) (Con): Can my hon. Friend confirm that we are fully committed to the Ajax programme, with its assembly in Wales and huge investment in the Union, and also its operational deployment in 2023-24?

Jeremy Quin: Yes, we are absolutely committed to Ajax. We have come a long way with this project. It was originally approved by Ministers of a different colour back in March 2010, and in saying that I acknowledge that it has been a long time coming. However, we are on the cusp of getting this right and getting it sorted. There are issues that need to be resolved—I recognise that—but we will resolve those issues and we will bring it into service.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): As the Minister has said, in March 2010 the then Government opted for Ajax in contrast to the suggested BAE CV90. This weapon is in operation with seven armies, two of which are members of NATO. It can make 70 kph and it weighs considerably less than Ajax. Is it not possible, in all honesty, that a mistake was made when we opted for Ajax as opposed to the BAE suggestion, which would after all have been manufactured in Newcastle?

Jeremy Quin: I would not dream of answering for the Ministers in the last Administration back in 2010, but I would say a couple of points in mitigation. First, on a tiny point of detail, this vehicle is intended to be able to go at 70 kph, and the temporary limitations are temporary for training purposes. On the broader question, again it is a long time ago, but my understanding is that they are fundamentally different platforms. The Ajax we look forward to taking into service is the first of its nature to have the digitalisation of the platform, with the enhanced lethality and enhanced protection. We stand by the decision that the MOD made, and we are very close to getting to IOC, albeit that we have two significant issues to resolve.

Jacob Young (Redcar) (Con): Can the Minister update us on how UK suppliers are involved in the Ajax project, and does he agree with me that projects such as this provide the opportunity to support British jobs in steel, textiles and other types of heavy industry, while protecting our troops on operations?

Jeremy Quin: I am absolutely delighted to. There are some 230 companies, all in all, as part of the supply chain. A lot of them had a tough time during covid; I mentioned Merthyr, where General Dynamics is based, in particular. I am very grateful for the work that has continued on the project throughout. I had the opportunity to visit one of the track manufacturers up in north-west Durham, and there are many others around the UK; the hon. Member for Angus (Dave Doogan) referred to Thales in Glasgow, and my hon. Friend the Member for Kensington (Felicity Buchan) rightly referred to components of the electronics from Wales, so there are companies around the UK that benefit. We need to learn lessons from Ajax, but we also need to recognise that there are so many great skills and fine companies across the UK that we need to ensure are properly embedded into the land industrial strategy that we will publish in due course.

Mr Toby Perkins (Chesterfield) (Lab): Defence equipment is traditionally procured to do damage to our adversary, but I understand that the Ajax vehicle has been giving soldiers a risk of tinnitus and swollen joints if they were driven at speeds above 20 mph. In addition, it is unable to fire while moving. The Minister has just described it as a first-class piece of equipment; the men and women of our Army had better hope that he never procures something that he considers substandard.

In his answers so far, the Minister has told us that he is aware of the problems, but he has not given us any real sense of where the solution is or when it will be coming. Can he tell us any more about when we expect the Ajax to be fully operational? What progress has actually been made, as well as identifying the problems that we are all aware of?

Jeremy Quin: The hon. Gentleman asks serious questions. I just reiterate that there is a difference between what a vehicle can do and what it is certified to do. With things like fire or manoeuvre and the speed limitation, we should not read into them that the vehicle is incapable either of firing on the move or of going above 20 mph. That is not the case; it is simply that that is not what it is certified to do at the moment.

The hon. Gentleman also highlights, perfectly reasonably, the issues that I touched on about noise and vibration. On noise, there are mitigations in place at the moment, and there are further mitigations in terms of the headsets. When we introduced Ajax, the problems occurred in using the standard British Army headset for use in armoured vehicles; the concern that we came across in testing the inner ear was that that was not adequate for the task.

There are two issues that we are therefore looking at: the headset and the noise of the vehicle itself. The noise can have two components; it can be mechanical, but it can also be the electronic noise generated by the aircraft that is communicating with the headsets. I wish that I could tell the hon. Gentleman that a week on Tuesday it will all be resolved. I cannot, but I can tell him that there are issues that we are seriously working through with the suppliers to ensure that we get there.

With vibration, General Dynamics has not had the same experience that we have had, apparently: over many thousands of miles of driving, it has not seen the same issues. That is why we are going to Millbrook, which will have sensors all over the vehicles to test where the vibration is happening and whether we can isolate it. It may be resolvable quickly; it may not be. I can commit only to telling the hon. Gentleman that we will do the work and that I will ensure that people are aware of how it progresses.

Dr Julian Lewis (New Forest East) (Con): It is encouraging that General Dynamics has been able to make a vehicle work satisfactorily in the United States, so will my hon. Friend confirm that the Government will not be rushed into bringing this already much delayed vehicle into service until these problems are solved to the satisfaction of the people in the armed forces who will have to fight in it?

Jeremy Quin: I am so glad that my right hon. Friend asks that question, because it requires a very simple answer: absolutely. Unfortunately, as he rightly says, there has been a long pattern of delays with the project, but we are not going to take into service something that does not meet our requirements. It is a firm price contract; we need to have it right, and take it into service when it is right to do that. We are not going to obfuscate in order to do so.

Margaret Ferrier (Rutherglen and Hamilton West) (Ind) [V]: There are reports in the media citing the leaked Government report on the procurement of Ajax tanks and stating that

"the problems were known to the army as early as 2017, but they"—

the MOD—

"didn't admit them due to embarrassment."

Does the Minister agree that it would be far more embarrassing, and a failure in the duty of care to our defence personnel, if the Ajax programme went ahead without finding the root cause or mitigating these serious defects?

Jeremy Quin: I agree with the hon. Lady that we need to find the root cause of the defects—that is absolutely right—or at least, we have to first identify that there are defects and then make certain that we have resolved them. I think that would be a fairer way to put it, and that is what a lot of the testing is doing right now. On when these problems first occurred, I do not think awareness of them came from the Infrastructure and Projects Authority report. I have been aware from social media sources of a suggestion that the Army was aware back in 2017. That has not been my experience, having looked into it. The concerns over vibration are a far more recent occurrence.

Philip Dunne (Ludlow) (Con): As the Minister is well aware and has articulated well today, this Ajax programme is a critical capability for the British Army. When originally the contract was let, we did not have in this country an assembly line capable of manufacturing land capability at scale, particularly armoured capability. The introduction of this capacity through General Dynamics into south Wales is a very important part of the defence industrial strategy, which he has referenced. It is valuable for the whole House to remind itself that we are not talking in a vacuum here; this is a capability that the Government in the coalition days ensured was built in this country.

We were looking at a design that relied upon economies of scale to bring a state-of-the-art turret, which was going to be jointly deployed on Warrior, with a cannon jointly developed with France, again with state-of-the-art capability and lethality. Can my hon. Friend reassure the House that the cancellation of the Warrior programme will not impact on the ability to deliver turrets and cannons into the Ajax programme and will not add further delay or cost increase?

Jeremy Quin: My right hon. Friend speaks with considerable experience, and I thank him for what he says about the production line. I do not know whether he ever had the chance to visit Merthyr. He probably did.

Philip Dunne *indicated assent.*

Jeremy Quin: He did, as I have done recently. It is an impressive factory with impressive personnel doing a good job. We just need to make certain that the whole thing fits together and works, and that is what we are committed to do.

To reassure my right hon. Friend on the Warrior, I have seen no evidence that the cancellation of the Warrior capability sustainment programme should have an adverse effect on the turrets for Ajax. Indeed, I believe I am right in saying that 58 of those have already been manufactured.

Nick Smith (Blaenau Gwent) (Lab): May I also confirm that the Merthyr factory is an impressive capability? The defence and security industrial strategy gives Ajax as an example of regional levelling up, so can the Minister confirm where the turrets for Ajax will be built?

Jeremy Quin: My understanding is that those turrets have been built by Lockheed Martin and are being constructed in Ampthill in Bedfordshire. That is my understanding, but I will double-check. If it is any different, I will write to the hon. Gentleman and leave a copy of my letter in the Library of the House of Commons. It is my understanding that that is happening at Ampthill.

Dr Andrew Murrison (South West Wiltshire) (Con) [V]: Does the Minister agree that the Ajax situation undermines global Britain's forward presence objectives as envisaged in the integrated review, such as the ability of the Royal Dragoon Guards based in Warminster to project reconnaissance combat teams, which they were being re-roled for? If it turns out that the vibration issue—*[Inaudible.]*

Mr Speaker: The sound is as defective as the programme. Minister, do you want to try to answer that?

Jeremy Quin: I am very sorry that we have lost my right hon. Friend. It gives me scope to interpret his question. I think he was asking about our capability to equip our recce troops. What we can do is a needed step change. The vehicles we are currently using were brought into service in the 1970s. We need that digitised framework. We need those sensors. We need the four dimensional capability. The programme will significantly help our armed forces, and we will be able to deliver it at speed.

Matt Western (Warwick and Leamington) (Lab): The Minister is a decent person, but this is extremely worrying news. The idea that we have a vehicle that can go almost as fast as a bicycle, but cannot actually fire its weapon on the move, while also posing such a risk to our troops is very worrying. The defence analyst, Francis Tusa, has described this as the Army's Nimrod MRA4. Is he right, and what does that say about our defence procurement capability or, should I say, incapability?

Jeremy Quin: I thank the hon. Gentleman for his nice remarks. He is also a very decent person, but I fear that he was not listening fully to my earlier responses regarding speed and fire on manoeuvre, which are capabilities that Ajax will be able to deploy. We are still in demonstration phases, so we do not get the full finished article; it is the capability 3 drop that provides us with the vehicle that will be used on operations.

The hon. Gentleman is worried. I, too, am concerned that we have issues. I would much rather have come to this place and said, "All's well; 30 June 2021—we're looking good." The fact that we have tests on vibrations, which will not be fully reported on until the end of July,

[Jeremy Quin]

speaks all one needs to know about that particular date. We have been pushing and pushing, and it is still possible that we will get a very easy answer. I fear that it may take longer, but we will continue to work to resolve these issues. However, we are spending £5.5 billion on a fixed-price contract. A lot can go wrong in a contract. A lot needs to be worked on with the suppliers, and in terms of the demonstration phase, that is what we are going to do.

David Linden (Glasgow East) (SNP): Unfortunately, this is not the first time that the MOD has been found not to have undertaken the proper due diligence with respect to its hardware. There are serious questions about not only this hardware, given the reports of potential injuries to personnel, but the process through which it was selected, developed and commissioned. Given tenders such as the Nimrod MRA4 and others like it, the British Government have billions of pounds lying in the balance. Will they therefore commit to reviewing how they handle such tenders?

Jeremy Quin: We constantly look at how we can best procure. Through the defence and security industrial strategy, we are looking at trying to improve significantly the processes that we undergo, including by having far more active contact with companies, particularly onshore UK companies, in order that we are able to work with them, and more agility in the nature of the contracts that we undertake. There is a process in place to ensure that we procure as best we possibly can, although, as I say, it is a £5.5 billion contract doing something that has not been done previously globally, and it is important that we recognise that issues can emerge. The critical point is to spot those issues and then make certain that they are resolved.

Robert Largan (High Peak) (Con): I welcome the Government's commitment to investing in our armoured fighting vehicles. It is vital that we never have a repeat of a situation where our armed forces personnel are put in harm's way without appropriate protections. However, it is clear that there have been issues with the Ajax programme, so can the Minister assure the House that all steps will be taken to learn the lessons of this and improve our defence procurement?

Jeremy Quin: Yes, we can learn from all procurements. We learn something from everything that is done. I wish this was a totally smooth process. It has not been—from the recast in 2014, to the recast in 2019, the delay to IOC and the fact that here we are, at this point, with two significant issues that I still need to get to grips with and resolve. We will have points to learn from, but I gently say to the House that a demonstration phase is a demonstration phase. We need to learn through a demonstration phase and then apply what we have learned.

John Spellar (Warley) (Lab): The Minister seemed slightly hurt that the shadow Secretary of State, my right hon. Friend the Member for Wentworth and Dearne (John Healey), described him as complacent, and then he went on to confirm that description. He talked about vibration. He took the manufacturer's word for it, even though the users found something different. Talk about shades of "dieselgate". He said that the noise can be mechanical, but somehow, he does not seem to have got to the bottom of where it is coming from. He said that Ajax is capable of firing on the move, but somehow, it does not seem to be able to do so at the moment. Do the troops on the frontline not deserve something better, and does he not need to get a grip?

Jeremy Quin: The right hon. Gentleman made a number of points. On the vibration, if I took the word of the supplier, we would have met IOC and we would not have issues. I take the word of our crews who have been training on the vehicle; that is why we have taken it so seriously, why we have commissioned the reports that we have commissioned and why the vehicles are currently at Millbrook being put through their paces. I absolutely reassure the House that we will not take the programme into IOC until we are confident that we have achieved what we need to achieve at this stage of the vehicle's development. I absolutely stand by that.

The right hon. Gentleman also made points about firing on the move and the speed restrictions; there is a difference between the certification of rolling process, certification during a demonstration and future phases, and what the vehicle is capable of.

Jack Lopresti (Filton and Bradley Stoke) (Con): On the back of Army modernisation and the £24 billion investment in the integrated review, there is a significant opportunity to grow land exports. Will my hon. Friend confirm to me and the House what export opportunities he expects to arise from the Ajax programme?

Jeremy Quin: I would very much like to see this vehicle as an export opportunity, and I believe it can be. The noise that has been quite rightly and legitimately raised in respect of the issues in the demonstration phase is understandable, but it probably will not help the vehicle's export potential immediately. I hope that, during the demonstration phase, we can resolve what we need to resolve, and I would love to see a situation in which I can confirm to the House that all is well, that we have hit IOC and that we are going to proceed to FOC. Incidentally, someone asked about FOC earlier but I did not come back to them: we are doing work with Tony Meggs from the IPA to make certain that we get an agreed FOC. I should have said that earlier, but it is now on the record. I hope to get that sorted and then proceed to export what will be a transformational vehicle in service with the British Army to our allies and friends around the world, meaning more jobs for this country.

Patricia Gibson (North Ayrshire and Arran) (SNP): In addition to issues with the Ajax programme, the Government are still struggling to get on top of the massive black hole in their equipment plan, with the most recent report from the National Audit Office having found that it "remains unaffordable" for "the fourth successive year". That is another warning from the NAO that has not been properly heeded by this Government, and the plan is up to £13 billion overdrawn. What plans does the Secretary of State have to plug the huge financial black hole?

Jeremy Quin: With the greatest respect to the hon. Lady, the report to which she referred was published prior to the injection of the additional £24 billion earlier this year. As a result of that, we will be publishing an equipment plan that will add up. I recognise that that will be for the first time in many years, and under successive Governments, but we will have a plan of which we can all be proud.

Marco Longhi (Dudley North) (Con): As a proud member of the armed forces parliamentary scheme, I am delighted with the £24 billion investment in our armed forces that was set out in the integrated review. As my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti) just said, that investment also presents a great opportunity to grow exports. So can the Minister confirm what progress he may have made with colleagues in the Department for International Trade and what opportunities he may expect will arise in respect of armoured fighting vehicles?

Jeremy Quin: That is a positive point on which to end these exchanges—if, indeed, this is the end Mr Speaker. It is absolutely right that we should look at the land industrial strategy to see what we can secure for this country. In terms of armoured fighting vehicles, we have not only Ajax but Boxer, and there is additional work on our Challenger 3 main battle tank. We have a lot of capabilities in the land domain, as we have in respect of exporting ships of various descriptions and the fantastic work that we continue to do on Typhoon and the development of our future combat air system. There is huge potential for us not only to defend our country and keep us secure but to offer huge prosperity benefits to all the people of the UK.

Mr Speaker: I am now suspending the House for three minutes to enable the necessary arrangements to be made for the next business.

1.18 pm

Sitting suspended.

British Council

1.23 pm

Mr John Baron (Basildon and Billericay) (Con) [V] *(Urgent Question)*: To ask the Secretary of State for Foreign, Commonwealth and Development Affairs, if he will make a statement on British Council closures.

The Minister for Asia (Nigel Adams): The British Council is a crucial part of the UK's presence overseas and a key soft power asset. It works in more than 100 countries to promote UK education, arts and culture, and the English language. The Government remain committed to the British Council. As the integrated review made clear, we value the influence of the British Council. We agreed a 2021-22 spending review settlement totalling £189 million, which is a 26% increase in funding from 2020-21. The British Council has not been cut. Although we have had to make difficult decisions to cut in other areas, we have increased the money we are providing to the British Council. Not only have we increased funding; we have provided a rescue package during the covid-19 pandemic. This includes a loan facility of up to £145 million, with a further £100 million loan being finalised to support restructuring. We have also provided a letter of comfort to ensure that the council can meet its financial obligations.

We found this funding for the council in the context of an extremely challenging financial environment. As a result of the pandemic, the UK is facing the worst economic contraction in over 300 years and a budget deficit of close to £400 billion. This package is necessarily accompanied by changes to the council's governance essential to modernise the council. These include measures to update the British Council's charitable objects, to focus the council on its core pillars, to streamline its governance structures and to agree new key performance indicators and targets to monitor council performance in key areas. The Foreign, Commonwealth and Development Office and British Council officials have worked together to ensure that the council will align even more closely with the Government's strategic priorities and can focus on doing what it does best.

Having worked closely with the British Council, we are reviewing physical council presence in-country as part of this modernisation process. These changes will be minimal, but it is a strategic mistake to judge the impact of the council in a digital age solely by the physical office in-country. Rather, it should be judged by its operational presence, by the digital services we are investing in and which have expanded rapidly as a result of covid, and by its ability to operate through regional hubs and third parties. The covid crisis has changed the way we all have to operate. We have also implemented a new evaluation mechanism, so that when Ministers travel, they can assess the value for money and the impact provided by the British Council on soft power. This is a strong rescue and reform package. The council will also shortly have a new chief executive officer, so it will have strong leadership and a governance structure to make it viable and to reinforce its role as a force for good.

Mr Baron: Thank you, Mr Speaker, for granting this urgent question. I also thank colleagues from all parties who are supporting our campaign and who signed the letter to the Prime Minister, and I thank the Minister

[Mr Baron]

for responding to the urgent question. Speaking as chair of the British Council all-party parliamentary group, I know that our own dealings with the Government and the letter published between the FCDO and the Foreign Affairs Committee confirm that office closures are about to take place overseas. This is about to be announced by the Government. The number varies from five to 20, but even five would represent the largest set of closures in the British Council's history, and all for the sake of a £10 million shortfall in funding.

The Minister is right when he says that funding has been supplied to the British Council. We all know that the British Council does an excellent job, and I will not waste colleagues' time by extolling its virtues. It is a key reason that the UK is considered a soft power superpower. Its high-quality, dedicated staff do an excellent job in promoting British culture, education and the English language overseas, facilitating cultural exchanges and building trust between other countries and the UK. In any normal year, it derives only 15% of its funding from the Government because of its commercial activities, but those commercial activities have been savaged by the pandemic. The Government have stepped forward, but their funding is still £10 million short of what the British Council needs to maintain its international network—its footprint of offices overseas—and its programming. The Government have gone so far, but they are falling at the final fence.

The Minister may say that the British Council needs to move into the technological age—he talks of a digital age—but there can be no substitute for a presence on the ground. The litmus test when it comes to the site closures is not only the Government's talk of hub and spoke arrangements in certain regions; it is whether the country directors themselves are in situ, and country directors are going to be made redundant.

Let us remember that these closures are happening only because of the £10 million in cuts. They are not of the British Council's choosing, so talk by Ministers that such decisions are for the British Council rings somewhat hollow. There has been strong ministerial involvement in these decisions, as confirmed by the letter to me from the Prime Minister, and it is Ministers who have instigated these cuts.

Very briefly, the closures are wrong because they are not in keeping with the concept of global Britain—the Defence Secretary has said that there is not enough British Council in the world—but they are also wrong strategically. It is a bad decision—

Mr Speaker: Order. We have to go to the Minister. I warned the hon. Gentleman that he had two minutes, and he has now taken three minutes-plus.

Nigel Adams: Thank you, Mr Speaker. I have a great deal of time for my hon. Friend the Member for Basildon and Billericay (Mr Baron), who does a great job chairing the all-party group. I am sure he is fully aware that, given the challenging position in which we find ourselves, many arm's length bodies would be thrilled with a 26% increase in funding for next year.

Obviously, plans for the British Council's global presence are still being finalised. It is a matter for the British Council to comment on the plans, and if they involve changes in country, I think my hon. Friend would appreciate that it is only right that the British Council is given the opportunity to consult its employees, trade unions and so on. Of course, any final decisions will be communicated in due course.

We will continue to support the council to ensure that it plays a leading role in enhancing UK soft power. My hon. Friend briefly mentioned global Britain before he was chopped off at the knees, and our commitment to it is clear. It is clear in the fact that we are hosting the G7 this week, as well as securing a deal on global tax reform. We also rank exceedingly well in the leading soft power indices and rankings. I, too, am getting the stare from Mr Speaker, so I shall sit down.

Stephen Kinnock (Aberavon) (Lab): I would first like to pay tribute to the hon. Member for Basildon and Billericay (Mr Baron) for his tireless work as chair of the APPG. Secondly, I declare an interest: I worked for the British Council from 1996 until 2008, during which time I was posted to Brussels, St Petersburg and Sierra Leone.

The council's core purpose is to build long-term, trust-based relationships between the UK and other countries—and my goodness, it delivers. From its global network of world-leading English language teaching centres, to its outstanding arts and culture programmes, its work on democracy and good governance, its education reform and media freedom projects, and its scientific exchange and promotion of the UK's higher education sector, the British Council provides us with an object lesson in how to win friends and influence people.

The council also provides excellent value for money for the British taxpayer, with the success of its commercial operations gradually reducing reliance on Government financing, but those operations have of course been hit hard by the pandemic, meaning that the council requires UK Government support to weather the storm. It is therefore deeply disappointing that the Government are refusing to make good the shortfall, which in turn is forcing the council to look at closing down offices in up to 20 countries. The Government's position represents the very definition of a false economy. It is short-sighted and would inflict profound damage on Britain's status as a soft power superpower.

On the eve of the G7 summit, I urge the Minister to think again. Will he please tell me how he intends to support the British Council to fulfil its integral role in making Britain a force for good in the world—an ambition set by the Government in their integrated review? Does he understand fears that the Government's abandonment of their 0.7% manifesto commitment on foreign aid, combined with their ambivalence towards the council, sends a signal that Britain is withdrawing from the world stage, rather than offering leadership? Will he therefore return to this House before the summer recess with a plan that secures the British Council's entire global network?

Nigel Adams: May I praise the hon. Gentleman for the work he has done with the British Council—12 years is a very long stint working for a fantastic organisation—but also prod him gently for talking about our "ambivalence" towards the British Council? I politely remind him that we will be providing £149 million in grant in aid this year and £189 million in grant in aid next year. That is an increase of 26%. We have provided the British Council with a £145 million covid loan and are providing a £100 million loan to help it to restructure. In March 2020, we provided £26 million. Madam Deputy Speaker, £609 million of British taxpayers' money since the pandemic hit does not sound like ambivalence to me. The hon. Gentleman is right: the integrated review made it clear that we value the influence of the council—of course we do—and we will continue to support the British Council in playing its leading role in enhancing the UK's soft power throughout its work overseas.

Tom Tugendhat (Tonbridge and Malling) (Con) [V]: It was very welcome to hear the Minister's defence of the spending going towards the British Council and the way in which the Department and the Government have supported this essential service of Britain's presence overseas. Perhaps my hon. Friend the Minister would also like to set out not just how we defend such a fantastic institution, but how we improve it and increase its reach. The closure of these five sites will, one must only hope, be reversed soon—perhaps not in exactly the same place, but in other buildings. What plans does he, the Department and the Foreign Secretary have to make sure that the British Council fulfils the opportunity that is before it and does not simply become a backwater?

Nigel Adams: I thank the Chair of the Foreign Affairs Committee for his remarks. We will be supporting the British Council going forward. It has undoubtedly gone through a torrid time: the covid pandemic has hit the British Council's commercial activities incredibly hard. May I also use this opportunity to pay tribute to the staff of the British Council, as well as the leadership? They have had a torrid time, as has all the FCDO network, working under such difficult circumstances during the pandemic.

To answer the Chairman's questions, we are revising the charitable objects of the British Council to focus on arts and culture, English language and education. There will be some key performance indicators coming forward. I work very closely with the chairman and the acting chief executive of the British Council and have met them on many occasions since taking up this position. We will continue to work with them closely. I think that the future for the British Council is very bright going forward, and we intend to continue to ensure that global Britain is a world leader for soft power.

Chris Law (Dundee West) (SNP) [V]: The decision by the UK Government to refuse to support the British Council in its hour of need is further evidence of the "little Britain" attitude at the heart of this Government. Indeed, this new little Britain approach is so small that the Scottish Tory party wrote to the UK Tory party to question why the Scottish Government have the temerity to pursue links abroad. Yet we learn only a fortnight later that the Government are happy to slash the British Council's international outposts. So, is the Prime Minister's "global Britain" pledge as hollow as these moves suggest?

Furthermore, the Government previously described the British Council as a

"key driver of UK soft power overseas."

If it is integral to the UK's global outlook, why have this Government decided to withdraw their support? Lastly, once again we see the Government renege on their word. The last Conservative manifesto stated:

"We will work with our cultural institutions like the BBC and British Council to expand our influence and project our values."

Just like cuts to life-saving support for the world's most vulnerable, is this yet another broken promise for this Government?

Nigel Adams: I have a lot of time for the hon. Gentleman, but references to little Britain are frankly nonsensical. I am not entirely sure whether he listened to my statement, but we are increasing funding to the British Council next year by 26%. That is not abandoning the British Council. We value the work of the British Council. We will be supporting it, we have stuck up for it and we have got it a good settlement going forward. We have helped to bail out the British Council when times have got tough, and we will continue to work with it to ensure that it continues the fantastic work it does around the globe.

Sir Robert Neill (Bromley and Chislehurst) (Con) [V]: The British Council gives extraordinarily good value for money, as the Minister knows. He will also be aware that taxpayer support for the British Council is significantly less than that provided by their counterparts—and, dare I say it, our commercial competitors?—in France, Germany and Japan. Research by the British Council demonstrates that its building of trust and connections generates greater economic activity. Will he bear in mind the importance of not spoiling the ship for a ha'p'orth of tar? In promoting our values, will he pick up on research showing that our commitment to the rule of law, our free judicial system and the quality of our legal system are also strongly recognised as being critical great British global values?

Nigel Adams: My hon. Friend is spot on, and that is exactly where we are on this. As the integrated review made clear, we value the influence of the British Council globally, and we will continue to support it in playing a leading role. In his foreword the Prime Minister reiterated our commitment to soft power and, indeed, recognised the contribution of the British Council, writing that it is one of the

"vital instruments of our influence overseas".

That is why we are providing support and continue to work very closely with the British Council.

David Warburton (Somerton and Frome) (Con): I am grateful to my hon. Friend for his encouraging remarks, because as the former chair of the British Council all-party parliamentary group I saw at first hand just how the council works across the globe as the engine room of UK soft power. In the face of the budget shortfall, however, offices will close, programmes will be cut and jobs will be lost. Does he agree that the promotion of British culture and language is key to the UK thriving post Brexit, and vital in building a truly global Britain?

Nigel Adams: My hon. Friend is absolutely right. This is the first time I have seen him in a very long time; may I congratulate him on how magnificent a specimen he looks these days? He raises an important point: it is absolutely essential that we continue to promote the United Kingdom, and the British Council does exactly that. Research has shown that students, for example, are 15% more likely to choose the UK as their study destination after using British Council services. I also thank my hon. Friend for his work as a former chair of the all-party parliamentary group.

Christine Jardine (Edinburgh West) (LD) [V]: It is clear from Members' contributions that there is absolute unanimity about the importance of the British Council in promoting Britain's interests and soft power across the globe. Indeed, the Minister himself has emphasised that. However, there seems to be contradiction between the commitment he expresses and the funding gap that is being allowed to develop. Will he tell us how the Government propose to close that funding gap in future years to ensure that the British Council does not move into some sort of managed decline as a result of a lack of funding?

Nigel Adams: I assure the hon. Lady that it is absolutely our intent to support the British Council—that is why we have increased its funding. As I have said, since the pandemic hit, this Government have committed to providing £609 million, which is a considerable increase. We want to ensure that the council remains on a stable financial footing. I can also tell her that the recently announced new CEO of the British Council is a formidable figure, and I am sure that he will do a fantastic job alongside the chairman, Stevie Spring. I think it has exciting times ahead under such formidable leadership.

Dr James Davies (Vale of Clwyd) (Con): In 2019-20, there were six schools in my constituency that benefited from excellent British Council programmes. Five were twinned with schools elsewhere in the world, and one—Ysgol Llywelyn in Rhyl—received an international school award. Will my hon. Friend confirm that opportunities such as these will not be impacted by covid-induced financial pressures?

Nigel Adams: I think my hon. Friend is referring to the Connecting Classrooms through Global Learning schools programme, which builds long-term relationships between schools, communities in the UK and developing countries. The Foreign, Commonwealth and Development Office will continue to fund that programme for 2021-22.

Tony Lloyd (Rochdale) (Lab) [V]: There is unanimity across the House on the values of the British Council going way beyond narrow commercial ones. This is about the values that we have as a nation, and the kind of world in which we want to live. Even in hard commercial terms, the British Council pays back to this nation what it costs, and in considerable excess of that. What consultation is there with other Government Departments, such as Education, International Trade, and Business, Enterprise and Industrial Strategy, for example? All those Departments and others would have an interest in making sure that we do not lose up to 20 British Council posts worldwide. That kind of information would allow us to assess whether the Government's credibility is real on this issue.

Nigel Adams: May I just correct the record? I may have said Stewart McDonald was the incoming CEO. I was confusing him with one of our colleagues; it is Scott McDonald who will be the new chief executive. *[Interruption.]* Two of our colleagues! Crikey. I am sorry to disappoint the two in question. Anyway, Scott will do a fantastic job leading the British Council.

The hon. Member for Rochdale (Tony Lloyd) makes a good point. Of course we talk across Government—across all our network. We have BEIS employees in posts where there are British Council employees around the country, and we will continue to do that. We want to support the Council in continuing its brilliant role in ensuring that our United Kingdom soft power is enhanced through its work overseas.

Jim Shannon (Strangford) (DUP): Will the Minister identify which other body promotes the British language, the arts, the global economy, Climate Connection and so many other sectors which are so competently handled within the existing structure? Does he acknowledge the tremendous work that has been done by the British Council so far?

Nigel Adams: Absolutely; we hugely value the influence of the British Council. We will continue to support it in the leading role that it plays, enhancing the United Kingdom through its work overseas. As I mentioned previously, the Integrated Review reiterated our commitment to soft power. It recognised the contribution of the British Council. The Prime Minister's foreword to the Integrated Review policy paper referred to the British Council as one of the "vital instruments" of our influence overseas.

Karen Bradley (Staffordshire Moorlands) (Con): My right hon. Friend the Minister will shortly be able to travel the world, and when he does so he will find that the presence of the British Council on site is the best embodiment of global soft power that this country has. The British Council has a funding shortfall because it cannot operate commercially. Can my right hon. Friend please find it in him to give that additional support to make sure that that on-site presence is there for when he makes those ministerial visits?

Nigel Adams: I thank my right hon. Friend for her question. May I correct the record—with apologies, because she is a very good friend of mine—as I am an hon. Member rather than a right hon. Member? Either way, she will appreciate that plans for the global presence of the British Council are still being finalised. We have provided a package of support and an increase in funding of which, as I said, many arm's length bodies would be extremely envious. It is, of course, for the British Council to comment on its plans for the overseas network, but I assure my right hon. Friend that those final decisions will be communicated shortly.

Patrick Grady (Glasgow North) (SNP): Does the Minister not understand that funding for next year is no remedy for cuts, decisions and closures that will take place now? There will be long-term consequences as a result of what he is trying to describe as short-term funding shortfalls. Is that not the problem with the likes of the Prime Minister viewing aid as a giant cash machine in the sky? The Government are losing sight of the long-term consequences of their short-term decisions.

Nigel Adams: I am afraid I disagree with the hon. Gentleman's assumptions. The impact of the pandemic has forced the Government to take incredibly tough but necessary decisions in many areas. Despite that economic climate, we have managed not just to protect the grant in aid funding that the British Council received this year, but to increase it. As I said, we are also providing a loan to help it get through the impact of the covid pandemic. Last March, when the pandemic first hit, there was immediate assistance of £26 million, plus another

£100 million restructuring facility that we are working with the British Council on, so I do not accept the hon. Gentleman's assertions whatsoever.

Sir Edward Leigh (Gainsborough) (Con): The French and the Germans are steadily increasing their efforts through the Goethe-Institut and the French Institute, where I spent many happy hours trying to bone up on my inadequate French. Meanwhile, for decades we have been closing British Council libraries, which are often the only places where people can get free access to English literature. Will the Minister go back to his officials and insist that English literature is our greatest cultural export, and that there must be no diminution in our efforts to expand and promote it worldwide?

Nigel Adams: My right hon. Friend is correct. The British Council is a world-leading provider of language teaching, teacher training and examinations on behalf of the UK Government. It reaches 100 million learners and teachers of English annually across more than 100 countries, and it has been shown that increased levels of English language speaking benefits the United Kingdom.

Mr Clive Betts (Sheffield South East) (Lab) [V]: The Minister has heard from colleagues across the House of the great support for the British Council, the recognition of its incredible work and the great value it gives. In 2018-19 the British Council estimated that German funding for their soft power agencies was three times that of the UK, and that in France it was twice the UK level. Is the Minister not concerned that the cuts the British Council now has to make will further undermine and reduce our influence compared with our major European neighbours?

Nigel Adams: I thank the hon. Gentleman for his question. Other countries have various programmes, and the Goethe-Institut and the Institut Français have different models. The British Council operates slightly differently with more commercial operations, and it is reliant on less Government funding than the others. Our determination to work as a force for good in the world is an important part of our soft power. The British Council is the key driver in that and will continue to act as a force for good for the United Kingdom, for example by teaching English to young women in south Asia. The education that the British Council provides is outstanding and will continue to be, and we will continue to support it.

Gareth Thomas (Harrow West) (Lab/Co-op): I share the concern about the British Council's funding settlement and the potential office closures, not least because of the understated role that the British Council plays in helping to boost trade. Will the Minister in particular assure me that there will be no cuts to the council's presence in India, Pakistan and the other counties of the Indian subcontinent, where we have both strong historical links and the need to boost trade?

Nigel Adams: The hon. Gentleman will understand that I am not in a position to announce any of those arrangements at this point. The plans for the British Council's global presence are still being finalised, and it is for the British Council to comment on its global network. However, I can assure him that decisions will be communicated very shortly.

Jerome Mayhew (Broadland) (Con): While it is generally agreed across the House that the soft power applied on behalf of the UK by the British Council has been enormous, surely we must take account of the fact that thousands—in fact, tens of thousands—of businesses across this country have had to adjust to the financial disaster that covid has applied to them. The British Council should do no other than that, despite having hundreds of millions of pounds support from this Government.

Nigel Adams: My hon. Friend makes a fair point. These are extraordinary times and the impact that the pandemic has had on world economies—not just on the UK economy—has sent out a shock wave. We have backed the British Council, we have supported it and we are ensuring that it has an increase in its funding for next year. He is right to point out how important a role the British Council plays in soft power through its work overseas. I am told that one in five world leaders was educated at a UK university, which is more than any other country except the US. Given the fact that 15% of foreign students are influenced by the work of the British Council in determining where they have their education, that is testament to the brilliant work that it does.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): I remember, while going on British Council activities in the Balkans after the Kosovo war, the importance of having local offices in Pristina and Belgrade that connected with people. It was the same when I visited the British Council in Mexico; we could report the same across the whole world: the individual importance of having a base. The young people in those programmes were already using online activities. If the pandemic has taught us anything, it is that online does not replicate person-to-person contact in building trust and culture. If this were a reduction in UK export support for manufacturing, the Government would be outraged and reversing any of the cuts. Will the Minister look again, in particular at the in-person support, to ensure that there are offices in every location where needed and that the support during the pandemic allows the British Council to grow and not just to survive?

Nigel Adams: It is good to hear the hon. Gentleman's experience of benefiting from the work that the British Council does overseas. I am absolutely confident in the British Council's ability to grow, not just survive. As I said, the individuals who will be leading this organisation—Scott McDonald and Stevie Spring—are formidable people with huge commercial experience, and that is exactly what the British Council needs. Any organisation would be proud to have these individuals leading from the front, so I have full confidence in the British Council's ability, under this leadership, to take this fantastic organisation forward.

Madam Deputy Speaker (Dame Eleanor Laing): I will briefly suspend the House in order that arrangements can be made for the next item of business.

1.59 pm

Sitting suspended.

Employment Rights

2.2 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): With permission, Madam Deputy Speaker, I will make a statement on the latest steps the Government are taking to protect workers' rights, as we look to build back better from covid-19. That includes our plans to create a single body responsible for state enforcement of employment rights, modernise the regulator of trade unions and address so-called fire and rehire negotiation tactics.

This Government have been absolutely clear that we will do whatever we need to do to protect and enhance workers' rights in this most challenging year. In April, for example, we increased pay for around 2 million workers, and the coronavirus job retention scheme has already helped to pay the wages of 11.5 million people across the country. We will continue to champion our flexible and dynamic labour market and to maintain the UK's excellent record on workers' rights.

Today, the Advisory, Conciliation and Arbitration Service has published its report on fire and rehire. I know that this is a matter of great interest to employers and workers up and down the country, and I encourage all Members to read ACAS's report. This Government have always been clear that we do not accept fire and rehire as a negotiation tactic. Workers up and down the country have worked flat out during the pandemic, carrying out essential work to keep our economy going. It is crucial that employers take their responsibilities seriously and act appropriately when it comes to discussions about changing employment contracts.

I have been deeply concerned by reports over the last year that some employers may be turning too soon to firing and rehiring employees and are using this as a tactic in negotiations to put undue pressure on workers to rush into accepting new, and often worse, terms and conditions or face losing their jobs. It is unacceptable and, frankly, immoral to use the threat of fire and rehire as a negotiating tactic to force through changes to people's employment contracts, or for employers to turn to dismissal and rehiring too hastily, rather than continue to engage in meaningful negotiations. We are not talking about something abstract here—this is about peoples' lives and livelihoods.

At a time when many workers have shown great loyalty and commitment to carry out essential work and keep our economy going in the face of a pandemic, I expect employers to continue to treat their staff fairly and with respect. That is why my Department asked ACAS to gather evidence on the practice, so that we could evaluate whether further action is needed at this time. I would like to thank ACAS for its work, which has provided my Department with a balanced account, based on insights from employer bodies, trade unions and professional bodies.

The report outlines the circumstances in which fire and rehire can be and has been used, and offers views from a range of contributors on whether and how to tackle the issue. There are different views on whether the practice can ever be justified. For some of the organisations consulted by ACAS, it is never acceptable. For others, in its most legitimate form fire and rehire is a route for employers to avoid redundancies and business failures, after negotiations have been exhausted. However, the report finds agreement that fire and rehire can and should be used only in limited, legally prescribed circumstances. Some thought that this should be further reinforced in law, whereas a number of participants cautioned against new legislation, warning that it may have unintended consequences: it may lead to more redundancies.

This is clearly a complex area. Many of the people ACAS spoke to welcomed non-legislative interventions, such as guidance for businesses, the vast majority of which I recognise want to do the right thing. That is why I have now asked ACAS to produce better, more comprehensive, clearer guidance to help employers explore all the options before considering fire and rehire, and encourage good employment relations practice.

Some of ACAS's participants raised concerns that fire and rehire is used by employers to break continuity of service to limit the ability of workers and employees to access their rights, as certain employment rights require periods of continuous employment. The Government have already committed to legislate to extend the time required to break a period of continuous service. That will make it easier for employees to access their rights and also deter businesses from using fire and rehire to engineer breaks in employment in order to deny individuals important employment rights.

Despite the unprecedented Government support during the pandemic, this has also been an exceptionally difficult time for businesses. Many businesses have shown an incredible ability to adapt and innovate, and have played a key role in tackling the pandemic. Even so, some employers may need to make difficult decisions, in order to avoid redundancies and to ensure their business can survive and succeed. In those circumstances, employers and employees should always aim to reach negotiated agreements about terms and conditions of employment and exhaust every avenue to achieve this. But the reality is that sometimes, regrettably, negotiations will fail. In these circumstances, employers may need to dismiss staff, and potentially re-engage them. Therefore, any potential reform must be balanced against the possibility of the remedy creating a worse problem than the one it is intended to address: we must be careful not to introduce measures that inadvertently run the risk of businesses going bust, and thus more people losing their jobs.

However, having carefully considered the report, the Government want to send a clear message to employers: even if your business is facing acute challenges, all other options to save jobs and a business should be exhausted before considering the dismissal and re-engagement of staff. I believe that we can achieve this working in partnership with businesses and workers, without heavy-handed legislation.

This House should be left in no doubt that this Government will always continue to stand behind workers and stamp out unscrupulous practices where they occur. That is why today I am also confirming the next steps we will be taking to modernise our labour market enforcement regime. In 2019, the Government published a consultation that set out the benefits of bringing together our three existing labour market enforcement bodies into a single organisation. Today, the Government have published their formal response to that consultation. This new single enforcement body will help the country build back better by taking a smarter approach to the enforcement of employment law. It will make it easier for the vast majority of responsible businesses to comply with the rules. It will ensure a level playing field, through effective enforcement against those who cut corners and exploit workers. Today's Government response sets out the overarching details of the new body: responsibility for tackling modern slavery, enforcing the minimum and living wages and protecting agency workers will be brought under one roof, creating a comprehensive new authority.

The new body will go further than current enforcement, enforcing holiday pay for the most vulnerable workers, as well as statutory sick pay. It will regulate umbrella companies, enforce financial penalties against organisations that do not meet requirements to publish modern slavery statements, and run the unpaid tribunal awards penalty scheme.

Protecting workers requires support for businesses, too, so that employers understand how to comply with the rules. This is in addition to effective, visible enforcement action to deter irresponsible employers. The body will have a spectrum of powers and responsibilities to achieve that, including the ability to issue guidance and compliance notices and levy civil penalties for certain offences, and the power to prosecute the most exploitative employers.

Protecting workers is not just about support for business and effective state enforcement. Trade unions have an essential role in the workplace; I know from my regular close engagement with unions how important their work is. Today, the Government have published our plans to modernise the regulation of trade unions, bringing the certification officer in line with other regulators. These reforms will implement technical measures passed by Parliament via the Trade Union Act 2016, providing reassurance to union members and the wider public.

We are confirming three changes related to the certification officer today. First, we are extending the certification officer's powers to enable her to proactively investigate when a third party raises concerns that a union or employers association may have breached its statutory duties; we will also expand the powers available to her to conduct those investigations. Secondly, we will give the certification officer the power to apply financial penalties to unions or employers associations where the most serious breaches are found to have occurred. The sanctions will be targeted only at the small minority of unions that breach their statutory requirements and obligations. Thirdly, we will move the certification to a levy funding model, which will bring the certification officer in line with other regulators such as the Pensions Regulator and the Financial Reporting Council. Proper and fair regulation will ensure that all trade unions and employers associations conduct themselves to the highest standards.

The United Kingdom has one of the best records on workers' rights in the world, going further than the EU in many areas, and we are determined to build on that record. By modernising our labour market enforcement regime, protecting workers more extensively, supporting businesses to comply with the law and preventing them from being undercut by a minority of irresponsible employers, we can continue to be a high-wage, high-employment economy that works for everyone as we build back better.

2.11 pm

Andy McDonald (Middlesbrough) (Lab): The Government have overseen a crisis of insecurity and a lack of protections at work, and the proposals announced today will do little to address it. There is no plan to legislate for a single enforcement body, so can the Minister explain how and when that will happen, given that the long-promised employment Bill has been ditched?

There is no new money in this announcement. We had a decade of cuts and underfunding that left us woefully unprepared when the pandemic hit. In the past year, just one workplace in 171 has had a safety or workers' rights inspection, and not a single employer has been prosecuted and fined for putting workers or the public at risk of contracting covid-19. A staggering 2 million people are paid below the national minimum wage, yet there are currently just 18 employment agency standards inspectors responsible for inspecting 40,000 employment agencies.

Without new funding, the Minister is simply proposing to merge several under-resourced agencies into a single under-resourced agency. The hollowness of the Government's commitment is underlined by the fact that the post of director of labour market enforcement has been left vacant for the past six months. However, the most glaring omission in this plan is that many of the most exploitative employment practices are perfectly legal.

Bogus self-employment denies millions of workers in the gig economy basic rights and protections, including the national minimum wage, rest breaks and health and safety protections. For those workers it is not a matter of enforcement, because they do not have rights to enforce. They have been totally abandoned by the Government. Will the Minister commit to giving all workers full employment rights to ensure that everyone has dignity and security at work?

On fire and rehire, the Minister says:

> "This Government have always been clear that we do not accept fire and rehire as a negotiation tactic."

These are empty words. The only clear message would be to outlaw the practice. The Government have hidden behind the ACAS report since February, using it as an excuse to do nothing. Today's announcement that ACAS will be asked to produce further guidance kicks the can down the road yet again. Almost 3 million people—one in 10—have been subjected to fire and rehire since last March.

Allowing working people to be bullied on to lower wages and worse terms and conditions is both morally wrong and economically illiterate. The Government claim to oppose fire and rehire while encouraging it through their inaction because they believe that this one-sided flexibility is good for the economy. How many more millions of workers is the Minister prepared to allow to be fired and rehired before he acts to outlaw the practice?

The proposal to give the certification officer powers to commission investigations and fine trade unions even when there has been no complaint from a member, funded by a levy on trade unions, is an ideological attack on working people. The Minister is proposing to solve a problem that does not exist. The certification officer had a tiny number of cases last year resulting in just one enforcement order. This means that unions will face financial burdens at times when their members are facing hardship, diverting time and resources away from

[Andy McDonald]

protecting working people to deal with spurious complaints initiated by groups like the TaxPayers' Alliance rather than fighting for members. If the Minister is genuinely concerned about law-breaking, I suggest he looks closer to home. Staff in his Department are balloting for strike action because of repeated breaches of employment law, including unlawful deductions of wages that force staff to rely on food banks, as well as breaching the working time directive and repeated breaches of Health and Safety Executive covid guidelines.

Trade unions are the best mechanism for protecting workers' rights, yet the Minister wants to tip the balance of power even further away from them. Compare and contrast this with Joe Biden, who is unshackling and empowering trade unions to rejuvenate the American economy and raise living standards. This Government want to hobble trade unions. The Minister has committed his Government to

"do whatever we can to protect and enhance workers' rights."

There is a chasm between the reality and the rhetoric. This is another deceit on working people, but I have news for the Minister: he is fooling nobody.

Paul Scully: The hon. Gentleman talks about enforcement issues and funding. We have more than doubled the budget for minimum wage enforcement and compliance, which is now over £27 million annually, up from £13.2 million in 2015. There are more than 400 HMRC staff involved in enforcement of the minimum wage. We concluded over 2,700 investigations on the minimum wage and returned more than £16.7 million in arrears to over 155,000 workers. We are determined that people should get a fair wage for a fair day's work. As we build back better, we will build back fairer, and it will not be on the backs of the lowest paid. That is why we will continue to increase the national minimum wage and the national living wage and also to enforce action on transgressions in that area.

On the Health and Safety Executive and what has happened with covid, the HSE has received £14.4 million in extra funding and has conducted 274,000 spot checks in the past year.

Worker status is clearly complicated when we have three issues of the worker, the employer and the self-employed, but that allows us to have a flexible, dynamic labour market that enabled us, after the last recession, to build back better by delivering more jobs than the rest of the EU put together.

On fire and rehire, we hear a lot in this place about a binary choice, but in reality the situation is far more complicated. As we build back better, we want to make sure that we can protect people's jobs as well as their working conditions. That is why we have to get that balance right. Only we on the Government Benches will deal with the economy and with businesses, but most importantly with workers who are subject to transgression of their workers' rights by irresponsible employers, yet not just painting all employers with the same brush.

The hon. Gentleman talked about changes to the certification officer's duties being ideological. Actually, it is adhering to the law, as it is what we said we would do in the Trade Union Act. All we are doing is implementing what was debated properly and agreed in this place under that Act.

We will protect workers' rights, protect jobs, and create more jobs, and it will be through a flexible, dynamic labour market, getting that balance right. Rather than just having a 1970s-style binary debate, we want to work for 21st-century working conditions.

Mary Robinson (Cheadle) (Con): I am grateful to my hon. Friend for his statement. Many of my constituents work at Manchester airport and will welcome action to address fire and rehire in the aviation sector. A single body for employment rights is also welcome, but I would encourage the Government to go further and establish a single body for whistleblowers to ensure that they are protected from retaliation and blacklisting and that their concerns are properly investigated. Unfortunately, the current legal framework does not tackle these issues, and the recourse for whistleblowers is the heavily backlogged employment tribunal system, where the average wait for whistleblowing cases is more than two years and the success rate is low. Does my hon. Friend therefore agree with me that it is time for an office of the whistleblower to uphold the right to speak up and strengthen these employment rights even further?

Paul Scully: I am glad that my hon. Friend had the opportunity to meet the Secretary of State recently, and we continue to want to work closely with her and other colleagues on this basis, including my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), who also raises the issue on a regular basis with great knowledge from his constituents. We do recognise how valuable it is that whistleblowers are prepared to shine a light on wrongdoing and believe that they should be able to do so without fear of recriminations. It is right and proper that we review the whistleblowing framework, and we will do that once we have sufficient time to build the necessary evidence of the impact of the most recent reforms, so we will consider the scope and timing of a review.

Douglas Chapman (Dunfermline and West Fife) (SNP) [V]: I thank the Minister for his statement. I know that, across the House, we recognise that strong employment legislation, regulation and guidance help the businesses that respect such standards be more successful, attract more talented and skilled people, and build better teams than those enterprises that play fast and loose with their own employees' rights.

While the Minister has outlined a number of measures today, with all these things the proof of the pudding will be in the eating. Will the Minister commit to working across the Chamber, with trade unions and employers to ensure that the highest employment law expectations are maintained and enhanced, and the experience of the employee is exactly what it says on the tin when it comes to fair and just working practices? Hon. Members' casework inboxes are already too full of such cases, and if the Minister were to commit to an annual review of the measures in his statement today, that would help ensure that we were getting this right and protecting workers across the four nations of the UK.

Finally, on fire and rehire, I cannot speak on this subject without praising the work of my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands), and his dogged determination in supporting this campaign and his desire to seek fairness for thousands of employees who have been caught in the sordid, pathetic practice applied by unscrupulous employers. Today was the Government's chance to right a wrong—a chance to end fire and rehire for good. The question is: why has the Minister not taken that chance to put fire and rehire out of its misery and protect thousands of hard-working people across the four nations?

Paul Scully: I thank the hon. Gentleman. Clearly, as I have said, we do not want to go back to the 1970s binary view of workers' relations. What we want is a 21st-century view, so of course we will continue to look at and review the impact of legislation, guidance and our work on workers' rights to check that it is working for a 21st-century economy. We will continue to do that, and we will continue to work with colleagues from either side of the Chamber to hear about constituents' casework. On fire and rehire, as I have said, nothing is off the table. We are charging ACAS with strengthening the guidance in this area to inform responsible employers how to conduct themselves, but as I say, nothing is off the table.

Darren Jones (Bristol North West) (Lab): Can I say to the Minister that I am slightly confused by the statement today? He says that the Government say fire and rehire is wrong, yet did nothing to intervene to stop its being used inappropriately. He tells us that the single enforcement body will be introduced, which I welcome, but that requires legislation that is not lined up in the Queen's Speech. This is merely a statement of intent, not a statement of action—a statement of all bark and no bite—so let me ask the Minister: by the end of this year, what will have actually changed?

Paul Scully: In terms of fire and rehire, that guidance will be there. As I have said, fire and rehire in itself is not a binary view. Clearly we need a dynamic labour market. We need to protect businesses from making redundancies and losing those jobs, and we need to save businesses. That is why we are progressing along the way by charging ACAS with strengthening the guidance in this area. We will be working throughout the next few months to make sure, when we have parliamentary time to bring the employment Bill through and create the single employment body, that the guidance will be there and the prep work will have been done.

Richard Fuller (North East Bedfordshire) (Con): The best form of employment protection is a thriving entrepreneurial business sector open to innovation and creativity. The Minister has already outlined that the UK has an enviable flexible labour market with the highest participation rate of people in work, the highest levels of employment we have seen for many years, the fastest ever increases in the minimum wage and the highest take for the minimum wage as a proportion of average earnings. Rather than going back to the ideological arguments of the Opposition, will my hon. Friend join me in praising the Biggleswade branch of the Department for Work and Pensions, which I was in a conversation with today? It is embarking on promoting the kickstart programme to get more people into work, particularly young people.

Paul Scully: My hon. Friend speaks in his usual eloquent way, talking up the dynamic, flexible economy that makes the UK fantastic and the envy of the world in terms not only of its workers' rights but its flexibility, which is why we are attracting so much inward investment. I am glad to hear about the Biggleswade jobcentre promoting the kickstart scheme, because it is such initiatives and the extra money we are giving to employers to take on more apprentices that will create levelling-up potential and give people opportunity.

Sarah Olney (Richmond Park) (LD) [V]: I was pleased to hear in the Minister's statement that he accepts there is still some way to go in securing workers' rights, particularly for those who are most vulnerable. I am surprised he has not concluded that further legislation is required. If the solution is for the new body that replaces these three existing bodies to go further and do more to enhance and strengthen workers' rights, there must surely be extra funding available to enable it to fulfil its responsibilities. Can the Minister confirm that?

Paul Scully: We have a good history of increasing the funding for enforcement measures, as I have already outlined. Indeed, the single enforcement body, when we are able to introduce it through legislation, will have sufficient funding not only to do its work, but to transition from those three bodies into one.

Mrs Maria Miller (Basingstoke) (Con): I welcome the Government's statement, because a strong economy utilises all the talents of its workforce. Despite some very strong laws, one in four pregnant women or women on maternity leave experienced discrimination during the pandemic. The Minister knows that every year more than 50,000 pregnant women feel that they have no option but to leave their jobs because they are pregnant. Can he confirm that the new enforcement body will be looking specifically at enforcing pregnant women's rights at work and outlawing the use of non-disclosure agreements to cover up illegal employment rights abuses?

Paul Scully: I congratulate my right hon. Friend on the work that she continues to do in this area. The law is absolutely clear that discrimination in the workplace is unlawful, with clear regulations in place that every employer must follow. The pandemic has not changed any of that. There is no place for that under any circumstances. We believe that the most appropriate way forward for pregnant women and new mothers is to extend the existing framework of protections set out under regulation 10 of the Maternity and Parental Leave etc. Regulations 1999. We will do that by extending redundancy protections for six months for mothers returning to work and ensuring that pregnant women also benefit from these additional protections. We will bring these forward as part of the employment Bill, which will also be the vehicle that will bring the single enforcement body together.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): May I start by saying that I very much look forward to supporting the fire and rehire Bill of the hon. Member for Brent North (Barry Gardiner), now that my own Bill has fallen? After months of warm words for the victims of fire and rehire from the Prime Minister through to the Minister, is this it? What do we have? Guidance that amounts to nothing more than utterly shameful lip service. The statement states:

> "It is unacceptable and, frankly, immoral to use the threat of fire and rehire as a negotiating tactic to force through changes to people's employment contracts".

I agree, so can the Minister tell us whether employers will still legally be allowed to do so: yes or no?

Paul Scully: I have talked about the fact that fire and rehire should not be used as a bully-boy tactic, but the hon. Gentleman talks about it as if it binary. Can he define exactly what it is? Some of the examples I have heard about over the past year would be considered traditional fire and rehire and would be the subject of this debate, while others have drifted into other areas of employment law.

We need to make sure we can continue the flexibility for employers so that they do not have to make redundancies in the first place, because clearly what would affect those employees badly is not having a job. That is why we need flexibility and dynamism, and we must have measures in place to ensure that responsible employers stick to their responsibilities for the lowest paid.

John McDonnell (Hayes and Harlington) (Lab) [V]: That is possibly one of the most mealy-mouthed, weak-kneed, ineffectual statements that I have ever heard in this House. It is a betrayal of working people. Fire and rehire commenced in my constituency with companies such as British Airways and Heathrow Airport Holdings Ltd, and it spread like a pandemic, harming my constituents. It is galling that these companies have been receiving taxpayer support through furlough, grants, loans and tax reliefs. We need legislation, not guidance that can be ignored. If the Government are to go down the guidance route, will the Minister confirm that they will insist that no grant, loan or tax relief—no taxpayer support—will go to companies that do not abide by this guidance?

Paul Scully: I am sorry that the right hon. Gentleman is not at the Dispatch Box talking about mealy-mouthed statements while throwing Chairman Mao's little red book at me as I talk about supporting business and workers. We will strengthen the guidance. Nothing is off the table. We will clearly see what is going on. We will work with ACAS and colleagues to see how this lands and look at what happens with irresponsible employers. It should not be used as a bully-boy tactic. It is right that we have wrapped our arms around the economy with £407 billion-worth of fiscal and financial support. We now have 407 billion reasons to shape the economy, allow these businesses to survive, protect jobs and create new jobs so that we can build back better.

Jonathan Gullis (Stoke-on-Trent North) (Con): Today's statement will be welcomed across Stoke-on-Trent North, Kidsgrove and Talke. I think of great employers such as Churchill China, whose chief executive officer David O'Connor started on the shop floor and worked his way up. That employer invested in the company and its workers, and workers' rights gave him the opportunity to go from firing a kiln all the way to running a multimillion-pound business. As a former trade union rep, I find it confusing that the Opposition bemoan the fact that trade unions should have to pay a levy, rather than UK taxpayers. I assume that is because they are worried that there will be less money in the Labour party coffers. Does my hon. Friend agree that there is no reason why trade unions should not pay their own way? Holding trade unions to account, just like holding business to account, is perfectly acceptable.

Paul Scully: I thank my hon. Friend—*[Interruption.]*

Madam Deputy Speaker (Dame Eleanor Laing): Order. We will not have shouting.

Paul Scully: It is great to hear that example of my hon. Friend's constituent, because that is exactly the kind of flexible, dynamic economy that we are talking about. Someone can come from the shop floor and go right the way to the top of their business. My hon. Friend is absolutely right, as was said in the debate on the Trade Union Act 2016, that unions can now be held to account, alongside other regulators. There are strictures looking at unions to make sure they do a good job for their members.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC) [V]: Diolch yn fawr, Dirprwy Lefarydd. Today's smoke-and-mirrors announcement—rhetorical, rather than underpinned by legislation—amplifies this Government's ongoing failure to introduce a new employment Bill to protect workers' rights. As we continue to struggle through the pandemic, one thing has become clear: the current approach to bereavement leave and miscarriage leave is insufficient and depends too much on the good will of the employer. Will the Government now consider making paid bereavement leave and paid miscarriage leave an employment right from day one?

Paul Scully: We will continue to work with the right hon. Lady and other colleagues to look at the various issues around neonatal leave and carer's leave, for example. We have also introduced bereavement leave for newborn children and will look at what more we can do in the employment Bill. She talks about rushing towards legislation, but that should never be the first port of call. It is partnership with employers, employees and government that will ensure a flexible economy that works for everybody.

Mr Richard Holden (North West Durham) (Con): I thank the Minister for his statement. One of the biggest issues in employment is people having a job in the first place. I am happy to go toe-to-toe any day on our party's record in government against Labour's record. Every time the Labour party has been in government, it has left unemployment higher than when it came in. We have had a great record since 2010 on job creation, and we have now created the conditions to bounce back really well, with great job numbers coming through following the covid pandemic. It is also great to see the Government looking properly at fire and rehire. However, one of the biggest issues for workers in my constituency is pensions. It is brilliant to see auto-enrolment come through, which is great for a lot of workers in the workforce, but will the Minister agree to meet me and look at extending that right to all workers over the age of 18? A lot of my constituents start work on the shop floor at 18, rather than after university at 22.

Paul Scully: My hon. Friend is absolutely right when he talks about a dynamic economy, which is why voters turned in their droves to him to represent them in this place, after decades of under-representation. I will gladly meet him to discuss auto-enrolment.

Chris Stephens (Glasgow South West) (SNP): The irony that the Government are consulting on enforcement powers against trade unions but only on guidance for bad employers is not lost on me. Talking about bad employers, zero-hour contracts, unclear employment status and short-notice shift changes were all mentioned in the Taylor report given to the Government five years ago—no rushing into legislation there. When will the Government legislate on the Taylor report recommendations, or will it be left to other Members to bring forward legislation to address these bad employment practices?

Paul Scully: The hon. Gentleman talks about the certification officer as if it were something new that has just been sprung on people, but clearly it is from the Trade Union Act 2016, so it has been five years, funnily enough. It is only just coming in now because we have tried to get the detail right. As for the legislation from the "Good Work" report that he talked about, the employment Bill will come to this place when parliamentary time allows.

James Sunderland (Bracknell) (Con): Our business, energy and industrial sectors are pivotal to our economy. Does the Minister agree that the best way of safeguarding jobs and livelihoods for our fantastic workers is to comprehensively ease all covid restrictions in these sectors, and will he please lobby No. 10 to that effect?

Paul Scully: Nobody wants these restrictions to go on a single day longer than they need to. We are in the middle of a frustrating period, with the decision to be made on the 14th of this month. We are looking at the data, and every day that goes by gives us a richer set of data to make the best decision for businesses.

Stephen Timms (East Ham) (Lab) [V]: The case won by the GMB trade union against Uber over the status of its drivers is immensely important, but why are the Government leaving it for these issues to be slugged out, employer by employer, worker group by worker group, in the courts? That is in nobody's interests, so when will the Government finally bring forward the long-promised employment Bill, which is so urgently needed?

Paul Scully: The Uber judgment that the right hon. Gentleman talks about was a landmark judgment. It is important that we reflect on that, but it is important that Uber, primarily, reflects on that and makes sure that workers are getting their rights, because every worker is different. Indeed, Uber contracts have changed over the last few years, and other companies working in the gig economy have different contracts, so it is complicated, but that is the definition of flexibility and dynamism. None the less, he asked about the employment Bill, and as I have said, it will come forward when parliamentary time allows.

Kevin Hollinrake (Thirsk and Malton) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests. As a former employer, I absolutely support the Government's approach to strengthening workers' rights and stamping out bad practice. When it comes to enforcement, whistleblowers are far more effective at identifying inappropriate behaviour or practices than regulators are. Nevertheless, from a position where the UK used to lead in whistleblower legislation, it has now fallen behind. It is a key area that we could work on to improve the situation. Will my hon. Friend the Minister set out the approach that the Government will take to improve the legislation?

Paul Scully: I am grateful for my hon. Friend's work in this area. I am looking forward to meeting him and his colleagues to discuss it further, to get his knowledge and the experience of his constituent, who has been put in an incredibly tough and invidious position. As I say, we will review the whistleblowing framework once we have had sufficient time to build the necessary evidence, which will include that conversation. We are considering the scope and timing of the review.

Madam Deputy Speaker (Dame Eleanor Laing): It would be helpful if we could go a little faster, because the House has a lot of business before it over the rest of the day.

Charlotte Nichols (Warrington North) (Lab) [V]: Polling for the GMB union found that 76% of the public want fire and rehire to be banned, including 71% of Conservative voters. If only unscrupulous employers use fire-and-rehire tactics, as the Minister said in a previous answer, a non-legislative solution will do absolutely nothing. How much more consensus is needed before the Minister acts to ban fire and rehire, rather than warm words that do nothing to protect workers in his constituency or mine?

Paul Scully: I have noticed that I can shrink my long list of responsibilities in the ministerial portfolio down to Minister for unintended consequences. I do not want to have a series of legislation, which is a blunt instrument, as if it is tackling a binary tool. That would have unintended consequences for people's jobs and livelihoods. We want to have a flexible economy so that we get both right.

Mark Pawsey (Rugby) (Con) [V]: I welcome the way in which the Minister is today extending the rights of the most important asset of any business, which is people. I am sure he will agree how essential it is to ensure that flexibilities enable workers to work the hours that suit them best, while also allowing employers to respond to the changing demands of their customers.

Paul Scully: My hon. Friend is absolutely right. We need flexibility in the workplace, including so-called zero-hours contracts, for example. We know that the majority of people who work on zero-hours contracts like the flexibility. However, we want to ensure that we can clamp down on things like exclusivity contracts, which is why we banned those. It is important to get the balance right.

Kirsten Oswald (East Renfrewshire) (SNP): The Minister just said that the UK Government will do whatever is needed to enhance and protect workers' rights, but all he is doing on fire and rehire is to provide more guidance. That is shameful—guidance is not what is needed. We needed to hear about legislation to stop fire and rehire, to outlaw pregnancy and maternity discrimination, and to give flexible-working rights from day one to protect precarious workers, but the UK Government will plainly not do what is needed on employment. Does the Minister appreciate that what is needed now is to devolve this to the Scottish Parliament so that it can do what is needed?

Paul Scully: If the hon. Lady reads the ACAS report, she will see that there is a divergence and a variety of opinions, as well as a wider evidence base about the extent of use and how that is used. That is why we are coming up with a proportionate response. Clearly, the other issues she raises will be in the employment Bill when parliamentary time allows.

Selaine Saxby (North Devon) (Con): I know my hon. Friend understands that right hon. and hon. Members across the House want the UK to be on the front foot on workers' rights after we leave the EU. Will he offer me a categorical assurance that that will be the case and that there will be no degradation in our world-leading protection?

Paul Scully: Yes, absolutely that is the case. We are determined to ensure that this is the best place not only to set up and have a business, but to work—for workers' rights, high pay and a highly productive economy. That can only be done by valuing our people.

Rachael Maskell (York Central) (Lab/Co-op) [V]: I refer to my entry in the Register of Members' Financial Interests. The Government may talk about enhancing employment rights, but they never act and never legislate. Recently, workers in York were being forced on to new contracts until a joint intervention by Unite and me, as a Labour MP, stopped the firing and rehiring. I know it is embarrassing for the Minister to have to defend his Government's empty promises, dither and delay, but to stop bad employers constantly undermining their workers, we need not more guidance, but legislation. Will he bring forward a Government Bill to end fire-and-rehire practices in this parliamentary Session, which should also insist that any changes to contractual terms are negotiated with workers and their trade unions?

Paul Scully: I have outlined what we are doing around fire and rehire. Extra and enhanced workers' rights will come in the employment Bill. The workers the hon. Lady describes have recourse, through ACAS and employment tribunals, to take their employers to task.

Laura Farris (Newbury) (Con): I welcome today's announcement. My hon. Friend is quite right to point out the nuance in fire and rehire. Speaking as an employment barrister, I stress that the issue that we lawyers have had is that the employer is required to show only that it is a genuine reason—in other words, low profitability. They are not required to show that they have exhausted every other option, and I welcome the fact that that is now a devolved function of ACAS. Will he consider putting the last resort clause into primary legislation—either the Employment Rights Act 1996 or the new Bill—to give employees rights to go to tribunal?

Paul Scully: I thank my hon. Friend, as ever, for her considered response in this area, with the expertise that she brings to bear. Clearly, as I say, nothing is off the table. We are putting the guidance in place with ACAS, but we will look at more measures should we need to.

Point of Order

Mr Kevan Jones (North Durham) (Lab): On a point of order, Madam Deputy Speaker. Last month, I received from a constituent some serious allegations about the conduct of individuals in the cosmetic surgery industry. The allegations involved a surgeon who had been struck off the General Medical Council register in this country, but who was conducting consultations with UK patients via Zoom, from a private clinic overseas. A separate allegation was that a doctor in the UK continued to refer patients to the struck-off surgeon, and that his services were being advertised on UK-based websites.

On 20 May, I wrote to the Minister for Patient Safety, Suicide Prevention and Mental Health, the hon. Member for Mid Bedfordshire (Ms Dorries). On 3 June, I received a direct response to my letter. Lo and behold, it was not from the Minister, but from the CEO of Transform Hospital Group, a private company. I know that it was a direct response because the CEO actually states that he had received my letter directly from the Care Quality Commission.

I take an extremely dim view of my correspondence with the Minister being passed on to a private company without my knowledge or consent. I consider that a major breach not only of confidentiality, but of my trust and that of my constituent who made the complaint in the first place. I do not think a Minister's correspondence should ever be shared with a private company, breaking the bond of trust that we have with our constituents. I seek your advice, Madam Deputy Speaker, on how I can rectify this and ensure that it does not happen again.

Madam Deputy Speaker (Dame Eleanor Laing): I am grateful to the right hon. Gentleman for having given me notice of his intention to raise this point of order. Mr Speaker shares his concern that sensitive correspondence appears to have been passed from the Department to a private company for a response, and Mr Speaker will be drawing this matter to the attention of the Leader of the House to ensure that these important issues are understood across Government and not only by the people who are paying attention to this particular point of order this afternoon.

The 2016 guidance produced by the Cabinet Office on the handling of parliamentarians' correspondence goes into some detail, which I will not quote in full now, but the right hon. Gentleman is right in pointing out that that guidance says that

"departments should treat correspondence with great care to ensure that confidentiality is not broken."

It also states that

"official replies to letters from MPs should only be authorised in exceptional circumstances".

It would appear that guidance has possibly not been followed in this case.

I would have said to the right hon. Gentleman that I would make sure that the Minister gives an answer, but I am delighted to say that the Minister in question is here in the Chamber, so I shall call her to respond to the point made by the right hon. Gentleman.

The Minister for Patient Safety, Suicide Prevention and Mental Health (Ms Nadine Dorries): Further to that point of order, Madam Deputy Speaker. I thank the right hon. Member for North Durham (Mr Jones) for the advance notice of his point of order, because the very short time that I have had has enabled me to do some investigation, and enabled officials to investigate, to find out what has happened.

The chronology is that the Department was passed a letter sent to me by the right hon. Gentleman on 26 May. The letter raised some very serious concerns about the conduct of a doctor working for a cosmetic-surgery provider referring UK patients for consultations with a former doctor who was struck off by the General Medical Council in August 2020 and is now based in Italy.

The right hon. Gentleman and I have had a number of conversations about the cosmetics industry and issues of this nature, so he will understand why I have taken this matter so seriously. Due to the nature of the allegations and the potential implications for patient safety—which I take very seriously, particularly when they pertain to women—my Department raised the issues set out in the letter with the GMC and it was also passed to the Care Quality Commission, which is responsible for regulating providers of cosmetic surgery in England, to enable it to consider the issues that were raised. The CQC needed to go back to the provider to find out whether the allegations were true and what had happened.

I take the complaints very seriously. I assure the right hon. Gentleman that, as he is aware—we have spoken about this—I had not even seen the letter yet myself. I can only believe that the letter was shared with the GMC and the CQC to ascertain what happened in order to inform a letter that I would then send to the right hon. Gentleman. I have yet to see the letter. I take these complaints incredibly seriously and my Department is reviewing how this information and the letter were handled and how the information was leaked. I will write to the right hon. Gentleman once our inquiries have been satisfied and, as he and I have previously discussed, I shall also write to his constituent.

Madam Deputy Speaker: I hope that the right hon. Gentleman is satisfied that the point that he has raised has been taken very seriously by the Minister. The House will be pleased to know that the Minister and her Department are taking this matter very seriously indeed, and I will happily tell Mr Speaker that that is the case.

I shall now briefly suspend the House for three minutes in order that arrangements can be made for the next item of business.

2.52 pm

Sitting suspended.

BILL PRESENTED

Animal Welfare (Kept Animals) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Secretary Eustice, supported by the Prime Minister, the Chancellor of the Exchequer, Michael Gove, Secretary Alister Jack, Secretary Simon Hart and Victoria Prentis, presented a Bill to make provision relating to the welfare of certain kept animals that are in, imported into, or exported from Great Britain, and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 13).

0.7% Official Development Assistance Target

Emergency debate (Standing Order No. 24)

2.55 pm

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

That this House has considered the matter of the 0.7% official development assistance target.

I draw the House's attention to my entry in the Register of Members' Financial Interests.

Mr Speaker, yesterday you made one of the strongest statements that I have heard from the Chair in more than 30 years, and you made it clear that the House should receive from the Government a meaningful vote. Naturally, in accordance with what you have said, we do not seek to divide the House on the motion today. We seek the meaningful vote that will enable the House to decide whether the Government can break our promise and arguably our law.

I see that my right hon. and hon. Friends and I are described as rebels. It is the Government who are rebelling against their clear and indisputable commitments. Who are these so-called rebels? A short perusal of yesterday's Order Paper shows that we have among our number eight Select Committee Chairs, four distinguished former Select Committee Chairs, 16 former Ministers, 12 Privy Counsellors and four knights of the realm. From the new intake, my hon. Friends the Members for Totnes (Anthony Mangnall), for Milton Keynes North (Ben Everitt), for Bury South (Christian Wakeford), for Penrith and The Border (Dr Hudson) and for Keighley (Robbie Moore), along with others who have recently arrived in this House, have shown great courage and determination in the face of the possibility of being tarred and feathered by the Government Whips Office.

We are also supported by every former Prime Minister and, I believe, by every former leader of all four major political parties. Over the weekend, the Archbishop of Canterbury said:

"The foreign aid cut is indefensible…Let us…pray"

that it is reversed

"and that our unconscionable broken promise to the world's poorest people is put right."

All four distinguished current or former Chairs of the Public Accounts Committee who are in the House support our cause. My right hon. Friend the Member for Gainsborough (Sir Edward Leigh) describes himself as the last Thatcherite on the Government Benches.

Mr David Davis (Haltemprice and Howden) (Con): Cheek!

Mr Mitchell: My right hon. Friend the Member for Haltemprice and Howden (Mr Davis) might possibly wish to disagree there. My right hon. Friend the Member for Gainsborough said:

"There is no public accounting justification for slashing budgets by 80% in this way. It is like telling the builder before he finishes your garden wall that you won't pay at the end. Cancelling projects overseas is just a waste of taxpayers' money when we should be providing long-term stability for schools, clinics and clean water projects."

Jim Shannon (Strangford) (DUP): I congratulate the right hon. Gentleman on bringing the matter forward. The House is very much united behind him. It is not just the scale of the aid cuts, but the speed of the enforced shutdown of operations that is hugely harmful. Aid and development are not a tap that we can turn off and on whenever we like. It is time for the Government, on this occasion, to step up to the spot and make sure that they reinforce the aid budget and increase it back to what it was in the past.

Mr Speaker: May I just gently say that we have a lot of speakers and I want to hear from everybody? If you are going to intervene, I am sure that you will understand if you go down the speaking list.

Mr Mitchell: The hon. Gentleman is absolutely right. Of course, what he says has been reinforced by every single member of his party who serves in the House, and it is the point that my right hon. Friend the Member for Gainsborough, a former Chairman of the Public Accounts Committee, was making: if we turn this expenditure on and off in this way, the taxpayer does not get proper value for money.

Nor is this about party politics. All 650 of us elected to this House at the last election promised to stand by the 0.7%. The Bill enshrining the 0.7% in law was passed unwhipped in this House, with just six dissenters. Outside the House, in every single constituency in the country, there are people taking action as part of Crack the Crises, the growing environment and development group. Each and every one of us is accountable to those constituents, who are taking action in their local schools, colleges, churches, mosques, charity shops, women's institute branches, congregations and community groups.

Twelve million people—an average of 15,000 per parliamentary constituency—are supporters of the member organisations of that coalition, and they must be heard. The people who sponsor children through development organisations, the members of churches that are twinned with others in the developing world, the people who were there for Jubilee 2000 and for Make Poverty History—they do not forget when we break our promises to them; they organise.

I can assure the House that, were it not for the covid restrictions, the same people who made the human chain around the Birmingham G8 summit and the quarter of a million people who marched on Edinburgh before the Gleneagles G8 would be preparing today to descend on Cornwall to make their views known at this G7 and to protest this unethical and unlawful betrayal. They would be joined by a whole new generation of young people who are watching this Government break our promise to the world's poorest. They do not like what they see. This weekend, they may not be on the streets, but they will be watching, and they will remember.

For two decades, the UK has been a development leader, not just because that is morally right and accords with our values, but because it is in our own national interest. By making the countries we seek to help safer and more prosperous, we make life for ourselves here in Britain safer and more prosperous.

Sir Bernard Jenkin (Harwich and North Essex) (Con): My right hon. Friend has been courteous and persuasive in trying to get me to join his cause, but I have declined to do so because I think that the Government are doing precisely what he describes but in ways that do not qualify as aid. I have asked the Government to clarify all the other things that we are doing that are contributing to the reduction of global poverty and, indeed, what we will do with the vaccine programmes to contribute to the alleviation of disease and distress in the poorest countries.

Mr Mitchell: I very much hope that my hon. Friend will stay for the whole debate so that he hears the views across the House. I am sure that will be both instructive and interesting for him.

Mr Speaker, the way the Government are behaving strikes at the heart of our Parliament, as you set out from the Chair yesterday. We cannot secure a meaningful vote. Had we been able to do so yesterday, as I intimated to the House, we would definitely have won by nine, and probably by nearer 20. It is precisely because the Government fear that they would lose that they are not calling a vote. That is not democracy. When countries behave like that in Africa, we British say that they have got it wrong. The Government need to remember that the Government and the Executive are accountable to Parliament, not the other way round, and most especially on issues of supply, as the Minister—he is a very good Minister—knows. That applies in all circumstances, whether the Executive are being run by King Charles I or Boris Johnson.

The Government make two key arguments: first, that they are still spending a huge amount of money—I am sure that is what my right hon. Friend the Minister will say this afternoon—and, secondly, that we are living in unprecedented times for our economy and they will bring the 0.7% back. Let me start with the first—that we are still spending a huge amount of money. Of course, that is entirely correct, but we all promised to spend 0.7% of our GNI, not to change the target and spend 0.5%. All of us made that promise—I have seen every single Member's manifesto at the last election, and every single elected Member made that promise.

It is arguable, at the least, that the action the Government are taking is unlawful. One of the most senior and distinguished lawyers in the country, the warden of Wadham, Oxford, a former Director of Public Prosecutions, has made it clear that the Government are acting unlawfully because they have changed, rather than missed, the target. I argue to the House this afternoon that what the Government are doing is unethical, possibly illegal and certainly breaks our promise.

On the point about the level of expenditure and the £10 billion, it is rather like buying a car and shaking hands on a deal at 15 grand, only to do a runner while the poor fellow is counting the cash after you have legged it, having handed over only 10 grand. It is not proper, it is fundamentally un-British and we should not behave in this way. It is about the girl whose school closed in South Sudan last week after the headteacher read the letter from the Foreign Office explaining that it is only temporary.

The second argument is that we live in unprecedented economic times and that the Government will bring the 0.7% back, but the 0.7% is configured precisely to take account of our economy. When the economy contracts and goes down, so does the amount of money spent under the 0.7%, and when it increases, that amount goes back up. We are talking about 1% of the money that the Treasury quite rightly spent on covid last year to sustain and support jobs, families and employment. This is 1%—it is practically a rounding error in my right hon. Friend's books.

We offered an olive branch to the Government last night, which the Government could have accepted, and then we could all have cracked on with other things, by asking them to bring the 0.7% back next year. We accept that they are not going to bring it back this year, but we asked them to bring it back next year, when the Governor of the Bank of England says that the economy will have rebounded to pre-covid levels and growth will be strong. If the Government were serious about bringing it back when the economy improved, they would have accepted the olive branch that my right hon. and hon. Friends and I offered.

Everyone knows what this is about. It is not about the 1% rounding error in the Treasury's books. It is about the red wall seats. The Government think that it is popular in the red wall seats to stop British aid money going overseas. Indeed, one Treasury Minister told me that 81% of people in the red wall seats do not approve of spending British taxpayers' money overseas. But we have to be careful about the question we ask, because other polling in the red wall seats shows that 92% of people there do not approve of cutting humanitarian aid. It is also a very patronising attitude to people who live in the red wall seats, because when these dreadful famines, disasters and floods take place, it is the people in the red wall seats who are the first to raise money through car boot sales and pub quizzes to try to help those who are caught. In the words of Talleyrand, the French statesman, this is worse than a crime; it is a mistake. What my right hon. and hon. Friends and I—the so-called rebels—are trying to do is to keep the Government straight.

And so we come to this week's G7 summit, when the leaders of the richest nations will assemble in Cornwall. My right hon. Friend the Prime Minister will be chairing the summit, and he goes into it in the teeth of a global pandemic, when Britain is cutting its support to the poorest. No other country represented at the G7 is doing such a thing. The French have now embraced the 0.7%. The Germans will spend more than 0.7% this year. The Americans—by far the biggest funders in the world—are seeking an increase through Congress of $14 billion in the amount that is spent. We are the only ones going backwards.

Other G7 countries are noticing what the Government are doing. Is it any wonder that, in a letter to President Biden, a dozen Members of Congress have urged him to upbraid Britain for breaking its promise? One sentence in their letter made me wince. It reads as follows:

> "Cutting back on foreign assistance during the worst humanitarian crisis of our generation only undermines our collective global response."

This is what the journalist who used to serve in this House and who probably understands the Conservative party best said at the weekend:

> "Try though seasick government whips will to mount one, there is no civilised defence of this cut. This cut looks like what it is: a cheap and brutal gesture, a piece of domestic applause-seeking".

Liam Byrne (Birmingham, Hodge Hill) (Lab): The right hon. Gentleman is making a brilliant speech. I just want to flush out one point, which I hope will be a point of consensus. It is possible that this weekend we will get agreement on a fresh issue of $650 billion in special drawing rights. The UK will have surplus SDRs and it is possible that they could be recycled to support aid. It would be a regrettable accounting trick if that, in any way, counted towards making good the cut that has been made. Is that a point of consensus across the House?

Mr Mitchell: The right hon. Gentleman makes a good and useful point, and the decisions made on the SDRs will be extremely helpful.

We come, finally, to the essence of all of this. Because of the way the development budget is configured, these terrible cuts are falling first and hardest on the humanitarian sectors. Let me just mention four of them. The first is girls' education. The Prime Minister has rightly said that it is his main aspiration on these international development issues—this is strongly supported by my hon. Friend the Member for West Worcestershire (Harriett Baldwin)—to ensure that all girls get 12 years of quality education. That is a wonderful and noble British initiative, but what has happened to the funding? It has been cut by 25%. So on the one hand we have the words—the aspiration—and on the other we have the reality of the 25% cut. Worse than that, UNICEF, which has a fantastic reputation and which the British Government judged just a few years ago to be the most effective of all the UN agencies, has had a cut of 60%. On clean water and sanitation, which is pivotal if we are to conquer this pandemic among the poorest of the world, some 10 million people who were expecting to receive British taxpayers' support will not now get it. Funding to the UN to save the lives of people suffering with HIV/AIDS has been cut by 80%, which is a death sentence for the people who would have been helped. Finally, we are going to end food assistance for 250,000 people. These are not people who have missed eating for a few days; they are people who are starving, and we are going to cut our support for them directly.

I have never forgotten the experience I had as Development Secretary in Karamoja, in northern Uganda, where I stood under a tree next to a football pitch, which was covered by children who were starving. There were about 200 children there and they were waiting in line. They were suffering from acute malnutrition, and British taxpayers' money and British humanitarian workers were trying to help them. If we catch them early enough, when they are floppy but not actually medically critical, we give them Plumpy'Nut, a biscuity peanut substance that costs about a 5p a head, and they will be recovered in about an hour and probably running around playing football. However, if we miss that point, they have to go to a clinic, have a drip up and it costs about $180 to put them right.

Steve Brine (Winchester) (Con): Does what my right hon. Friend has just said about the 5p not make the point that, although £4 billion is a small amount for a rich country such as ours, it makes an enormous difference in the countries we are trying to help?

Mr Mitchell: My hon. Friend is absolutely right and he puts it enormously eloquently. I end my remarks by saying that that story from Karamoja in northern Uganda has lived with me from the day I saw those things. I will be thinking of those children in this debate and I urge my right hon. and hon. Friends to think about them as well.

Mr Speaker: May I just say that brevity from everybody will allow more Members to get in? Those who intervene will not mind being moved down, because that is the way we are going to help each other.

3.14 pm

Preet Kaur Gill (Birmingham, Edgbaston) (Lab/Co-op): I thank my friend, the right hon. Member for Sutton Coldfield (Mr Mitchell), for his great work in securing this debate, and the many other Members from across this House and the other place with a keen interest in this issue.

It is a great shame that the Government have had to be forced into this debate today when they promised more than six months ago that they would bring legislation to Parliament to ask elected Members of this House whether they supported these cuts to the aid budget. I thank you, Mr Speaker, for your support in allowing this debate.

We clearly have a Government in hiding—a Government who have tried over and again to avoid scrutiny and accountability for the cuts that they have imposed, drip feeding information on where the cuts are falling and refusing to release the impact assessments or rationale behind any of those decisions. We have been given conflicting accounts on whether impact assessments have actually been carried out on the cuts, suggesting either that the Secretary of State failed to ask for any, in which case he is clearly out of his depth, or that he is afraid of the public learning the true impact of the cuts and the lives lost. So, which is it? We are no strangers to hyperbole in this House, but it really is no exaggeration to say that the cuts to the aid budget by this Government have cost people their lives. It is utterly shameful.

Let us not pretend that Foreign, Commonwealth and Development Office Ministers are not ashamed of the cuts foisted on them by the Chancellor and waved through by a Prime Minister either too weak or too incompetent to impose them. The Secretary of State and his Ministers are the ones who have had to front debates, meet their counterparts and post videos, talking about the importance of clean water and sanitation, while slashing funding by 80%, meaning that 8 million fewer women and girls will have access to the most basic necessity of water. Then there is the life-changing impact on girls' education—a priority, says the Prime Minister, as he hopes no one notices him cutting the education budget by 40%, meaning that 700,000 fewer girls will receive an education.

The Government say that Britain's focus should be on human rights, but they have halved the funding to the human rights, democracy, and rules-based international system programme. Why should we or the British public trust a word that this Government say?

Yesterday, Members of Parliament from across the House were ready to show that they did not support this Government's callous and counterproductive cuts to the aid budget, because the real consequences are already being felt in Britain as well as across the world. The Secretary of State has made a 70% cut in funding to research programmes tracking covid-19 variants of concern around the world, including the Delta variant, making the British public less safe.

Britain has built up a reputation as a global development power, thanks to our aid commitment, our dedicated development workers, our academics, and our researchers and scientists, strengthening our position in the world with both our allies and detractors. This Government are tarnishing our global reputation, and tarnishing our soft power and our national interest. As the right hon. Member for Sutton Coldfield mentioned, the US Democrats have said:

> "Cutting back on foreign assistance during the worst humanitarian crisis of our generation only undermines our collective global response"

to the pandemic. They are right. With days to go until the G7 summit, choosing to continue with this cut would see the Government persist not only in undermining the UK's credibility on the world stage, but in ignoring their commitment to the world's poorest and the most vulnerable people on earth. Britain is a proud, generous and caring country, and these cuts are an insult to the British people and our proud tradition of showing humanity and leadership on the world stage. Members of the US Congress and the Biden Administration are already warning the Prime Minister about the impact of these aid cuts.

During this deadly pandemic, global leadership and unity are more important than ever, but as the only G7 nation to cut aid and the third lowest donor this year, this signals a retreat—so much for global Britain. If we are to assert ourselves on the world stage, we must be a country that looks outwards—a country that builds relationships outside our borders to tackle the global challenges of the future. This Government have a choice: continue down a path that will cost more lives or listen to colleagues today across Parliament and end this retreat by reinstating our commitment to 0.7% as a matter of urgency.

3.18 pm

The Chief Secretary to the Treasury (Steve Barclay): Let me begin by acknowledging the words and the good intentions of my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell). He knows as well as I do that decisions such as this are not easy. In short, this is a hugely difficult economic and fiscal situation that requires difficult actions.

Responding to twin health and economic emergencies, the Government have acted on a scale unmatched in recent history to protect people's jobs and livelihoods and to support businesses and public services, paying out £352 billion in support since the start of the pandemic last year. That is equivalent to 17% of GDP and one of the largest fiscal support packages of any country in the world.

Our plan is working. The economy grew by 2.1% in March alone, and the Bank of England now expects the economy to return to its pre-crisis levels by the end of this year—two quarters earlier than previously expected. At the beginning of the crisis, unemployment was forecast to reach 12% or more. The latest projections show that it is due to peak at 5.5%, meaning that almost 2 million fewer people will lose their jobs than was expected last spring.

As the House will note, however, much of that response has relied on borrowing. Last year saw the highest peacetime levels of borrowing on record—£300 billion of borrowing—and we are forecast to borrow £234 billion more this year and a further £109 billion the following year, so without corrective action, borrowing would continue at untenable levels, leaving underlying debt rising indefinitely. At our higher level of debt, the public finances are more vulnerable to changes in inflation and interest rates. Indeed, a sustained increase in inflation and interest rates of just 1% would increase debt interest level spending by over £25 billion in 2025-26. The goal of any Government should be sustainable finances, and the current level of borrowing is not sustainable.

My right hon. Friend the Member for Sutton Coldfield used a number of emotive terms around the morality of the context of these changes, but leaving the next generation vulnerable to the degree of fiscal threat that would be entailed with a high debt level is not itself morally sound. At the same time, loading ourselves with more debt now might well damage our ability to spend on aid later. There are some in this House who say that since we are already borrowing to protect jobs and businesses, what is £4 billion more? Indeed, that was the nature of the intervention from my hon. Friend the Member for Winchester (Steve Brine). Crucially, the only reason we were able to act during the pandemic in the way that we did is that we came into the crisis with strong public finances, and we believe it is our duty as the economy recovers to return to a sustainable fiscal position.

Harriett Baldwin (West Worcestershire) (Con): I thank the Chief Secretary to the Treasury for giving way and I appreciate his fiscal stance, but can he explain to the House why the only manifesto pledge he has chosen to break is the one that forces the World Food Programme in South Sudan to choose between feeding hungry children and feeding starving children?

Steve Barclay: The point is that we have made a number of difficult decisions, and I will come on to that, but we are also continuing to spend £10 billion in response to the commitments that we have made. I am sure that my hon. Friend, as a former Treasury Minister, is well aware of the fiscal reality we face.

Strong public finances mean making difficult decisions, such as increasing corporation tax. That is one of the difficult decisions that my right hon. Friend the Chancellor has made, alongside the decision around overseas aid. Indeed, this is something that the International Development (Official Development Assistance Target) Act 2015 explicitly anticipates when it refers to the effects of one or more of the following:

"(a) economic circumstances and, in particular, any substantial change in gross national income;

(b) fiscal circumstances and, in particular, the likely impact of meeting the target on taxation, public spending and public borrowing;

(c) circumstances arising outside the United Kingdom."

In other words, the 2015 Act clearly envisages situations in which a departure from the target may be necessary. It provides for the Secretary of State's accountability to Parliament by way of the requirement to lay a statement before Parliament and, if relevant, makes reference to economic and fiscal circumstances, as well as circumstances outside the United Kingdom. Indeed, the Foreign Secretary has already committed to doing that, as required by the Act.

Sarah Champion (Rotherham) (Lab): That accounts for the cuts in July, but surely it was a political decision, and potentially an unlawful one, to cut to 0.5% in November.

Steve Barclay: The provisional data shows that for the 2020 ODA figures, the 0.7% was met. The point is that the Act allows for the economic and fiscal instance that I just set out—it is in section 2. If the UK were to spend 0.7% of gross national income as ODA, it would cost the country an additional £4.3 billion this year. Given our commitment to fiscal sustainability, we could offset that either by raising taxes or by cutting public spending. *[Interruption.]* We can come on to that. To put that in context, it means a 1p increase in the basic rate of income tax or about a 1% increase in the standard rate of VAT at a time when taxes are at a historical high.

Mr Mitchell: The Treasury really must do better than that, because 1p on income tax is worth nearly £6 billion, so the increase would be much less than 1p.

Steve Barclay: In the context, it is £5 billion to £6 billion. My right hon. Friend did not set out in his speech how he would address that gap. Which fiscal measures was he suggesting? Was he suggesting a specific tax, in which case I did not hear that in his remarks? Was he suggesting more borrowing, in which case one needs to look at the impact on our stock? Was he, in fact, suggesting spending? *[Interruption.]* From a sedentary position, the right hon. Member for Ashton-under-Lyne (Angela Rayner) mentions Test and Trace. Given that 80% of the Test and Trace budget relates to testing, if she is saying that she wants to get rid of PCR testing or lateral flow testing, she needs to set that out in detail. That speaks to the lack of detail provided; it is strikingly absent from the alternatives put forward.

The fundamental point before the House is that the scale of our overseas aid remains significant. In fact, we continue to lead the world in overseas development. This year we will spend more than £10 million to improve global health, fight poverty and tackle climate change, including £400 million on girls' education in 25 countries, and we are doubling to £11.6 billion our commitment to international climate finance for the period 2021 to 2026, with at least £3 billion for climate change solutions that will protect and restore nature and biodiversity. According to the OECD, in 2020 we were one of only two G7 countries to actually meet the 0.7% target and the only country to do so each year since 2013. Even after the change we are debating today, we are still the third largest donor in the G7 as a percentage of gross national income, and 0.5% is considerably more than the 29 countries on the OECD's Development Assistance Committee, which average just 0.41%.

Importantly, the Foreign Office makes its aid spending choices based on maximum impact, coherence and value for money. The Integrated Review has reaffirmed our pledge to fight against global poverty and to achieve the UN sustainability development goals by 2030. We are the fifth largest contributor to the UN peacekeeping budget, the third largest bilateral humanitarian donor, the second largest member state donor to the World Health Organisation, and among the world's largest donors to the COVAX advance market commitment—the global initiative supporting developing countries with access to vaccines. The funding we will continue to make available to countries all over the world is helping to educate young girls, boosting diversity, tackling climate change, vaccinating the needy against deadly diseases such as Ebola and malaria, and improving the nutrition of staple food crops—millions of lives improved, millions of lives saved.

This is a generous and outward-looking country whose impulse has always been to help others around the world. We do not and we will not shy away from making

[Steve Barclay]

a determined contribution to addressing the world's problems. But at the tail end of a huge economic emergency, we also have a responsibility to the British people. We are absolutely clear about our intention to return to 0.7% of our national income on overseas aid when the fiscal situation allows, but cannot do so yet. We will, however, keep the matter under careful and regular review. I know that Members on both sides of the House will make their cases cogently and passionately, but for now, the tough choice is the right choice.

3.29 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): I cannot help but reflect, given what the Minister has delivered, that in the phrase that is often used, he knows the price of everything and the value of nothing.

Let me begin by commending the efforts of all those who have made it possible to have this emergency debate, including those who requested the debate, led by the right hon. Member for Sutton Coldfield (Mr Mitchell), and you of course, Mr Speaker, for granting time today.

As we know, it has not been an easy task getting to this point—a point where this Government have finally been held accountable for their actions and made to answer for what is a callous cut to overseas aid. Let us be very clear: this Tory Government have been shamed into coming to the House today. Ever since announcing this disgraceful decision to slash aid for the world's poorest, the Government have been on the run on this issue. For weeks now they have avoided questions and dodged accountability, but they have been dragged to the Dispatch Box today.

As usual with this Government, the person most responsible for the decision to cut aid is the person first to hide and the last to face accountability. On an issue of this importance and a policy this fundamental, it tells us everything we need to know about this Prime Minister that he does not even have the guts to come before this House to justify his Government's decision to cut support to those most in need. He is a Prime Minister who casually signs off on these devastating decisions, but a leader who always fails to take any responsibility for the consequences of such decisions.

No damaging decision appears to be off limits for this Government. On overseas aid, living up to our legal responsibilities—our legal responsibilities, Minister—to those most in need should unite various strands of political opinion across this Parliament. Instead, the moral mission of 0.7% spending has been shamefully undermined by a morally bankrupt Government.

It is important to put the decision into a broader context, because cutting the aid budget is not only cruel and counterproductive in its own terms, but an isolated act from a UK Government increasingly alone on the world stage. The UK is virtually the only country that has cut its aid spending. Nearly every other wealthy country has recognised the greater necessity of helping those in need at this unprecedented time of a humanitarian crisis.

The Government's timing could not be worse. International opinion on these cuts is crystal clear. It is rightly seen as a disgraceful abdication of the UK's international responsibilities in a year—in a year, Minister—when we should be showing some international leadership at the G7 and COP26. Let us simply take a look at what some G7 countries are doing in comparison with the UK. This year, Canada's aid budget will see an increase of 28%, France will contribute a 36% increase and, under the Biden Administration, the US will see a 39.4% increase. Yet this Tory Government think it is somehow morally justified to impose these cuts. It is morally and ethically flawed, it is intellectually flawed and it shames all of us that this is done in our name. But I say this to the Minister: it is not done in the name of the majority who have been sent to this House.

The harsh reality is that this decision will cost lives—it will cost lives, Minister. Brexit Britain is rapidly exposing the future it offers of being out of step and out of influence on the world stage, because one thing is for sure: if the Tory Government dig in their heels and slash the aid budget, they are adding insult to injury to those dwindling few who still desperately cling on to the notion of global Britain.

Digging into the details of these cuts reveals what is at stake if they are allowed to continue. The headline figures are stark enough in themselves, with aid spending amounting to £10 billion this year, compared with £14.5 billion in 2020, but it is the impact of where exactly the cuts will fall that tells the real story and exposes the real damage. Almost unbelievably, conflict zones face some of the worst cuts. Syria, Somalia, the Democratic Republic of the Congo, Libya, Nigeria and Lebanon: all are poised to lose more than half their funding. Is that where we stand? Is that where the Minister stands? Is that where his Government stand?

Children are the next target. The United Nations Children's Fund faces a cut of 60%. This is harrowing; this is heartbreaking. I ask the Minister: where is the Government's humanity at a time of need?

Some of the most established and impactful projects are equally at risk, with cuts of £12.5 million to the UN agency that fights AIDS and HIV. That is more than an 80% cut to a programme to fight AIDS, condemning people to an early death that could be avoidable.

Much has already been made of the fact that, by imposing these aid cuts, the Government are brazenly breaking their own manifesto commitment. In particular, I want to draw attention to the fact that they are breaking a very specific commitment that they made to voters about girls' education right across the globe. It is worth putting that on the record of the House. In 2019, the Conservative party manifesto promised to

"stand up for the right of every girl in the world to have 12 years of quality education",

and yet that promise has been broken.

Analysis by Save the Children shows that spending on education for girls will be reduced by at least 25%, compared with 2019-20 levels. That is horrific. Not only will these cuts impact now, but the damage will reverberate into the future for those young girls and young women, their hopes and fears crashed on the dogma of the desire to cut UK aid spending. Only this weekend, a letter from 1,700 charities and academics said that families are going hungry and girls are missing school as a direct result of these decisions. I can see that the Minister is nodding. I ask him please to reflect and change the Government's policy and what they are doing.

Whether the promises are broad or specific, they are apparently all the same to the UK Government, who are telling people that they think their promises are only there to be broken. I acknowledge and give credit to the courage of the many Conservative Back Benchers who have stood against their Prime Minister, who is reneging on the very manifesto that he stood on. Their stance has given us at least a chance to face down the Government on this issue and hopefully force a U-turn.

Frome a Scottish perspective, I cannot hide my genuine disappointment that we cannot count the Scottish Tories among the Conservative Back Benchers with a backbone. For weeks, they have maintained a deafening and shameful silence, but even at this late stage, they have the chance to do the right thing. Whatever our differences, I think they know that cutting international aid during a pandemic does not represent the values of Scotland and our people. That is why the Scottish Government are doing what they can with the powers they have at Holyrood. We have increased international aid spending by 50%—that is what should be done in a pandemic, Minister. The Scottish Conservatives have a choice: either fall in behind their Prime Minister, no matter what he decides, or join us in saying that these cuts to the world's poorest are not done in our name. If they fail to oppose these cuts, the Scottish Tories should be well warned: it would be not only an inhumane act against the most vulnerable, but an act of sheer hypocrisy.

Today's debate on aid spending is all the more significant because of the place and the context in which we find ourselves. Morally, we have a responsibility to help protect the most vulnerable around the world. It is also self-evident that if the UK Government were serious about the eradication of covid-19, that must include a commitment to help eradicate covid-19 around the world, because until all of us are safe, none of us is truly safe. These aid cuts are severely undermining that commitment and limit our power in meeting the covid challenge.

There is a broader point, too. As we attempt to emerge from this pandemic, the values we live by and the choices we now make become even more important. Covid has affected every country and every person around the world. We have all faced the same threat; we have all been in it together. If we did not know that before, we should know it now. But the truth is that just because we have experienced the pandemic together does not mean that our challenges are in any way equal. We are privileged. We can live in the hope and expectation that the crisis of the pandemic will pass, but for too many millions in this world, the pandemic is only one more disaster to deal with, in countries that suffer under constant crisis and struggle. Now is not the time to turn our face away from those countries and those people in need. Now is the time to redouble our efforts and our commitment to them.

The World Bank predicts that the pandemic will push an estimated 88 million to 115 million people into extreme poverty, and in the world's poorest countries, hunger and the causes of malaria are rising. Unless we act now, one crisis will be followed by another, and the cycle will go on—and on, and on. We simply cannot break the poverty cycle by breaking our commitment to overseas aid. This is a choice for the Government; it is the choice for every Member of this House. On these Benches, our choice is clear. It is time to live up to our commitments on aid spending. It is time to live up to our responsibilities to the world's poorest. It is time to break the cycle.

Mr Speaker: If we can try and help each other now with brevity, that would be very helpful.

3.41 pm

Mrs Theresa May (Maidenhead) (Con): Thank you, Mr Speaker, for granting permission for this debate.

I oppose the cut from 0.7% in international development funding for three reasons. First, I stood at the election on a manifesto that said:

> "We will proudly maintain our commitment to spend 0.7 per cent of GNI on development".

Now, the Government will say, as the Chief Secretary has today, that covid has changed the circumstances, but the Government are also taking pride in and responsibility for the fact that our economy will bounce back this year, and covid has also changed the circumstances for the poorest people around the world. For many of them there will be no bounce back, because for some of them it will simply be too late. So I urge the Government to stand by their word and stand by our manifesto commitment on international development funding.

My second reason is the impact, which I have just alluded to, that the cut will have on the poorest people around the world. My right hon. Friend the Member for Sutton Coldfield (Mr Mitchell), in his thought-provoking and forceful speech, gave us some examples of the impact the cut will have—the damage it will cause to lives; the lives that will be lost. I want to mention just one particular area of interest to me: modern slavery. As one example, the global fund to end modern slavery is having its funding cut by 80%. That means that programmes will be lost, including programmes to work to end the commercial sexual exploitation of children, with all the damaging and devastating impact on young lives that the loss of that programme will have. The global fund will try to restore that money from elsewhere, including from other Governments. The United Kingdom has been the world leader in tackling modern slavery. Now we see organisations having to go cap in hand to other Governments to make up for the shortfall caused by the UK's decision to cut international development spending.

Aid spending is not just about people in countries far away. Tackling modern slavery has an impact here on the streets of the United Kingdom. Supporting economic development elsewhere will help to cut the number of people who feel they have to migrate to the UK in order to look for work, and cutting ODA spending has an impact on other Departments. I recall in the Home Office that we used ODA spending to fund some of the work we did with refugees. If we cut that funding, either the work will not be done or the Home Office will have to find that money from other parts of its budget.

The third reason I oppose the cut is the impact on the UK's standing in the world. People have respected us for our commitment to 0.7%; now, as we have heard, we are the only country in the G7 that is cutting aid at this time. People do not listen to the UK because we are the UK; they listen to us because of what we do and how we put our values into practice. Our commitment to that 0.7% has, for example, enabled us to argue the case for different definitions of ODA spending. Cutting this spending will have an impact on our standing.

Will we suddenly see countries cutting us off? No. Will we suddenly be kicked off international tables? No. But the damage it does to our reputation means that it will be far harder for us as a country to argue for the change that we want internationally—and that is across

[Mrs Theresa May]

the board, including at COP26 and in respect of our setting out and putting into place the ambitions of the Integrated Review, which does not even mention modern slavery as one of the Government's development priorities. I only hope that modern slavery is still on the G7 agenda, as it has been in the past.

The cut from 0.7% will have a devastating impact on the poorest in the world and it will damage the UK. I urge the Government to reinstate the 0.7% target: it is what they promised, it will show that we act according to our values and it will save lives.

3.46 pm

Sarah Champion (Rotherham) (Lab): Thank you, Mr Speaker, for your assistance in securing this debate. The number of people not only who have campaigned on this issue for the past year but who want to speak today shows the true strength of feeling on this issue and the cross-party support for it.

I wish to talk about hypocrisy, which is something I just cannot stand. Unfortunately, the Government's approach to ODA foreign aid spend is dripping in hypocrisy. The Government have stated their seven global priorities, and we know the priorities for the upcoming G7, but unfortunately what the Government actually do does not match up in any way. I wish to use this speech to highlight specific examples of where the Government are failing.

On global health security, we are cutting by 95% our funding for the global polio eradication initiative, at the exact moment when we are about to eradicate polio. Funding for UNAIDS is cut by 83%, impacting the provision of life-saving HIV treatment to the most marginalised. A programme by the Liverpool School of Tropical Medicine to build stronger, more resilient health systems in low and middle-income countries is cancelled. The King's Global Health Partnerships programme "Saving Lives", which was due to improve care for thousands of pregnant women, is cancelled.

Funding for neglected tropical diseases is wiped out. Funding for life-saving water, sanitation and hygiene projects is slashed by 80% in the face of covid-19 and climate change. The Concern Worldwide project to provide healthcare to people living in remote and disadvantaged areas of Bangladesh is terminated. The project was due to reach 2.6 million people, including 140,000 people living with a disability.

The G7 Foreign Ministers have committed to end violence against women and girls, while girls' education is a key priority for the Government, yet the women's integrated sexual health programme is cut by £72 million. The International Planned Parenthood Federation described the "brutal cuts" as

"a tragic blow for the world's poorest and most marginalised women and girls."

The UK Bangladesh Education Trust project to educate girls forced into domestic labour has been cut entirely. In Tanzania, the projects of Children in Crossfire and EdUKaid to support children, including disabled children, to access education have been cut entirely.

The United Nations Population Fund is cut by 85%, potentially leading to 25,000 unintended pregnancies. STiR Education projects supported marginalised families across Uganda to access education but have been cut entirely. The projects of S.A.L.V.E.—Support and Love Via Education International—to support girls living on the streets to return to school are cut entirely.

The Women for Women International female empowerment projects in Nigeria and Afghanistan are terminated, leaving thousands of marginalised women abandoned. UNICEF's core funding is cut by 60%, impacting its ability to provide children with access to water, sanitation, education and health services. An International Rescue Committee project in Lebanon to prevent and respond to gender-based violence, and for child protection, has been cut, depriving 107,000 people of those services. In Sierra Leone, the budget for an IRC programme was cut by 60%. It reached more than 3 million people, mostly adolescent girls.

Humanitarian preparedness and response is also a priority, alongside the G7 commitment to supporting developing countries to tackle and prevent humanitarian threats, but aid to support Rohingya refugees in Bangladesh has been cut by 42%. Mines Advisory Group programmes have been cut by almost 50%, with all funding for work in Lebanon withdrawn. Humanity & Inclusion projects providing speech and physiotherapy sessions for disabled Syrian refugees have been cut entirely. The Tomorrow's Cities project, working to reduce the risk to poor countries of disasters such as earthquakes, volcanic eruptions and landslides, has been cut by 70%, compromising the ability of vulnerable communities to respond to disasters. Aid to Yemen has been slashed by nearly 60% in the face of catastrophic famine.

I could go on and on; that is only the beginning of the cuts that this Government are bringing about. That wrecks not only our international standing but the security of this country, because we are cutting money not just for humanitarian projects, but for projects that prevent conflict and poverty. What are some of the main drivers of conflict around the world? Unstable Governments, famine and lack of opportunity.

We were the world's leading country on a number of those projects, which kept us safe and allowed the world to prosper. By cutting them, and by stubbornly refusing to give us the data on when fiscal circumstances will allow us to go back to 0.7%, the Government are undermining this country and the investment made thus far by the taxpayer.

3.51 pm

Mr David Davis (Haltemprice and Howden) (Con): I will be brief. The arguments for the moral case that we are arguing today should be clear to anybody who has listened to the discussions of the last few days, weeks and months. The Government's arguments on financial grounds are clearly wrong. This is a rounding error in the national accounts. The Treasury cannot forecast the economy to within £4 billion each year, so how can it account on that basis for this judgment?

I heard that the reason is political; that it is a judgment that the working class of the northern red wall seats do not like foreign aid. Well, I have defended a blue brick in that red wall for 33 years, and I can tell the House that that is wrong. The simple truth is that if we said to someone in one of those seats, "Do you want to spend money on the Ethiopian Spice Girls?" they would say that no, they would rather spend it on a local school or on cutting poverty in Barnsley or whatever it may be.

However, if we asked them the proper question—the real question—they would give us the real, British, generous answer. If we said, "Do you want to act to prevent children dying from dirty water?", 76% would say yes. If we said the same about starvation, about the same number would say yes. If we said, "Do you want to act to prevent an emergency in a crisis?", 92% would say yes, as my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) mentioned. Some 92% of all British citizens would want their money spent on that. What would they think of the 60% cut in the contribution to Yemen, the most difficult emergency in the world today? Or South Sudan? Or the Democratic Republic of Congo? Or Syria? These decisions have consequences, and they are just as smart as we are; they will see those consequences, too.

In the Sahel, 270,000 people a year get life-saving medical support, and that is going to be cancelled this year. That is interesting, because we are also sending 200 British soldiers to the Sahel to help suppress terrorism, and what will this do for that? This will be a recruiting sergeant for terrorism in the Sahel. This is actually acting against our interests and against our soldiers' interests, and we should remember that when we are doing our accounting sums. Bear in mind that this will not just be poverty; it will be poverty that will be blamed on the west by the people acting against us in the Sahel.

The Minister claimed that the actions he has outlined are in our national interest. While in the long run doing the morally right thing is what is always in our national interest, this is not the right thing. It is the morally wrong decision for the world, and it is the practically wrong decision for our country.

3.55 pm

Hilary Benn (Leeds Central) (Lab): Well, this issue is not going to go away, is it? Why? Because it is about the promise, as we heard in the brilliant speech made by the right hon. Member for Sutton Coldfield (Mr Mitchell). It is about the promise we made to people who in all likelihood know nothing of its existence, but whose lives have been changed by our generosity. They are people who have drunk clean water or gone to school and mothers who have seen their babies safely delivered or vaccinated, thanks to the immense generosity of the British people. The question is therefore a very simple one: how can it be right or moral to break this particular promise that we gave in good faith to others? The answer is very simple, too: it is not. It is wrong, and, as we have heard, it is damaging our international reputation.

The Prime Minister will sit down opposite the G7 leaders at the end of this week. They are facing exactly the same fiscal pressures as he is, but have the United States, Germany, France, Canada or the other G7 countries cut their aid budgets? No, they have not, because they understand the moral argument.

Jacob Young (Redcar) (Con): The right hon. Gentleman listed a few countries. Of course, none of those countries actually commits 0.7% of their GDP anyway.

Hilary Benn: With respect to the hon. Gentleman, that is not the point. We made a promise. I presume he is as committed to keeping promises he makes as the rest of us here in this Chamber.

What of the human cost? We heard from the right hon. Member for Maidenhead (Mrs May) in her powerful speech about lives blighted, lives shortened and lives lost. Let me just take one example. How can it be right to cut aid for clean water by 80%? The arguments against doing that are so strong, such as the importance of clean water for hand-washing in a pandemic. There is the fact that the single most important thing we can do if we want to reduce infant mortality, apart from improving immediate postnatal care, is provide clean water, because every day babies and small children die because they drink dirty water. Clean water helps girls to go to school, the very thing that the Government say is a priority.

As International Development Secretary—the right hon. Member for Sutton Coldfield talked about his experience—I learned that there are moments when those of who have the privilege to do the job have our minds changed. We learn and we understand, and we realise why something is so important. In this example, I came across a well one day with a lot of people standing around it. I was told that the well was closed. I had never come across a closed well before, but it was explained that because demand for water in that part of the city was so high, after the first rush of buckets was drawn from it in the morning, the well had to be closed so that the water table had time to replenish to allow the well to be reopened.

One of the people waiting was a girl of about 13 or 14. The well was here and she was standing there—I can remember it to this day. She told me in a very quiet voice that it was her responsibility in her family to get the water every day, because until she did so, she could not go to school. Because the well was closed not just that day, but many days, she was often late for class. That is what this is about: a lack of plentiful, clean water, which all of us here take for granted, meant a lack of education for her and millions of other girls like her.

Are we really going to say that it is acceptable to cut our support for clean water? Is anyone actually going to argue that these cuts are popular with the British people? I fundamentally disagree; the British people are much more compassionate than that. It is not a competition between charity at home and aid abroad. We can, we should, we must do both.

Mr Deputy Speaker (Mr Nigel Evans): With immediate effect, there is a time limit of four minutes.

4 pm

Sir Roger Gale (North Thanet) (Con) [V]: I want to touch on the two core aspects of this: the political and the humanitarian. Dealing first with the political, we are promoting global Britain, we are told. Once again, we are proudly taking our place on the world stage, we are told, and that is right and good. However, if we are going to do that, we have to be able to hold our heads high, and I cannot see how damaging some of the poorest people in the world will enable us to do that.

Politically as significant is the fact that where we leave a vacuum, others will fill that vacuum. Those others will be China, the Russian Federation and Russia's client states, Azerbaijan and Belarus. I wonder how many colleagues are prepared to see the emerging democracies turn to communist dictators for assistance, because we have pulled the rug out from under them.

Secondly, the humanitarian effect has been touched on over and over again. In 38 years—tomorrow—in this House of Commons, I have been privileged to travel fairly widely to some of the poorest regions of the world. I assume that the former Foreign Secretary, now

[Sir Roger Gale]

the Prime Minister, during his time in his previous office, was able to do that. I am quite sure that the Chancellor of the Exchequer is a widely travelled man. I suppose that they, like me, will have seen, smelt and tasted the death that comes from poverty and starvation, and seen the misery of young girls having to walk miles every day to fetch foul water. Now, to see the opportunities taken away from those young people around the world is, I believe, unforgivable.

Yes, of course we have run up a huge debt in the course of the covid crisis, but put that in perspective. We are talking about a cut upon a cut. As my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) said in his opening remarks, this was designed to scale against a reduction in gross national income. By reducing the figure from 0.7% to 0.5%, we are exacerbating that cut. In so doing, we are hitting what used to be known as the bottom billion, the 1 billion people in this world who live on less than $1 a day, a figure that the United Nations believes to be the sign of abject poverty.

I want our Prime Minister to be able to go to the G7 with his head held high. I extol the virtues of our contribution to COVAX, but this cut that has been put forward by the Treasury is unforgivable and it must be reversed next year.

4.3 pm

Liam Byrne (Birmingham, Hodge Hill) (Lab): I congratulate the right hon. Member for Sutton Coldfield (Mr Mitchell) and I thank the House authorities and Mr Speaker for the debate today. I have risen to speak because this decision seems, at one and the same time, to be a decision that dishonours our word, dismays our friends and delights our enemies.

I want to make just three points. The first is simple: this decision defaces and demeans the strategy that was set out in this House by the Prime Minister as long as 69 days ago, when he came to that Dispatch Box to present the Integrated Review to the House. He said that he was determined to build resilience at home and abroad and to tackle risk at source:

"We will be…dynamic abroad".—[*Official Report*, 16 March 2021; Vol. 691, c. 161.]

He declared that 2021 will set the tone for the UK's international engagement abroad—let us hope not, because on the eve of the G7 this Prime Minister is leading by retreating. The only dynamism he is showing is in the speed with which he is breaking his promises to the world.

The former Prime Minister, the right hon. Member for Maidenhead (Mrs May), did not make many speeches about foreign policy, but there was a phrase she used often that was good—the notion of the rules-based order. We should have a Government who extol the benefits and the virtues of a rules-based order. However, we now have a Prime Minister who is ordering the breaking of the rules, not just with the nonsense around the international protocols in Northern Ireland, but with our international promises to the world community. One has to ask, why would anybody trust him? The truth is that he will soon discover that unless he is more hard-line about keeping his promises, our influence in the world will diminish. Once upon a time, it was known abroad that our word was our bond. That is not something to surrender lightly.

My second point is that the Prime Minister risks a serious imbalance in our foreign policy. In today's world, defence of the realm entails a mixture of deterrence and development. President Biden has a useful guide. He says, "You talk about values. Show me your budget and I will tell you what your values are." We now have a situation where defence spending is rising by £24 billion and development spending is falling by £4 billion—a £28 billion gap.

Jacob Young: When the right hon. Gentleman was Chief Secretary to the Treasury, did the UK ever meet its 0.7% target?

Liam Byrne: We were proud to set the ambition, and we set a critical path to doing it, because we knew precisely this—that development and deterrence are two sides of the same coin. They are essential to the defence of the realm.

The Prime Minister, when he presented the Integrated Review, boasted that we were about to send the new Queen Elizabeth carrier group on a worldwide tour. In how many of the 100 countries where we are cutting aid will that carrier group come into port? I bet that everywhere it does, we will find that our projection of power is as nothing compared with the power of a project to make poverty history.

Two thirds of the world's poorest live in fragile, conflict-affected and violent states. It beggars belief that under the Government's proposals, nations such as Libya and Iraq will no longer receive bilateral aid. There should be a simple rule of policy that we will not drop aid in places where we drop bombs, or where others drop bombs that they bought from us. Investing in places where we can alleviate poverty is one of the biggest investments we can make in safeguarding our security for the years to come.

My final point is simply this. The Chair of the International Development Committee, my hon. Friend the Member for Rotherham (Sarah Champion), helpfully set out the extraordinary range of cuts that are now being confronted. As chair of the Parliamentary Network on the World Bank and the International Monetary Fund, I asked the IMF this afternoon for an update on the sheer scale of investment that is needed to get the global community back on its feet. Low-income countries will now need $200 billion extra to step up their covid response, followed by $250 billion extra in accelerated investment as we try to move from the pandemic to the Paris agreement. We are now going to—

Mr Deputy Speaker (Mr Nigel Evans): Order. Sorry, we have to leave it there.

4.8 pm

Karen Bradley (Staffordshire Moorlands) (Con): I refer the House to my entry in the Register of Members' Financial Interests. I congratulate my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) on securing this urgent debate.

The United Kingdom is a nation of islands. Apart from one well-known land border, we are surrounded by sea. If we are surrounded by sea, we have a choice. We can turn our back to the sea and look inwards; we can look only at the people in our own country, our own town or perhaps even our own village. I think that makes us smaller and poorer. Alternatively, we can turn round and face the sea. We can face the world. We can be part of a global nation. I think that makes us wealthier, it gives us a better quality of life, and it makes us better as a country.

Being an outward-looking global Britain means many things. It means taking our seat and playing a full role in global institutions. It means meeting our commitments on defence, which the Government are proud to have done. It means trading and promoting free and fair trade around the world, and it means doing our bit for the world's poorest.

I wish to make three points. First, I accept that this is an exceptional time. There is nothing that I like about this pandemic. I do not like how empty the House is. I do not like not seeing my loved ones. I do not like anything about it, and I accept that it is an exceptional time, but there are organisations that need certainty about their funding from the United Kingdom. My right hon. Friend the Member for Maidenhead (Mrs May) talked about the Global Fund to End Modern Slavery. I, too, have spoken to the Global Fund, which has seen an 80% cut in its spending. It will get by, by going to other countries, but if it does not know that we in the United Kingdom will meet our commitments, it will have to close programmes, and that will leave thousands and thousands of children at risk of exploitation.

That brings me to my second point, which is about keeping our promises. I proudly stood on a manifesto that talked about "proudly" keeping to 0.7%. There are some who think that this is a ruse to introduce 0.5% by the back door. I really hope that that is not the case. The Minister and my right hon. Friend the Prime Minister have said that we will revert to 0.7% when the economic situation allows. When will that be? When can we have a vote on this matter? When can we know that we will meet our commitments? The organisations, the programmes and the people who depend on that money need to know that it is coming.

My final point is about how joined-up the world is. If the pandemic has shown us one thing, it is that we cannot isolate ourselves from what happens in the rest of the world. No matter how much we might want to turn our backs on the sea and look inwards, we cannot. Variants that developed in far-flung parts of the world, and a virus that developed in a far-flung part of the world in a city that most people probably had not heard of a year ago, have meant that our way of life has changed fundamentally this year. We cannot isolate ourselves from the rest of the world; we have to take an active role.

A small amount of money, relatively speaking today, helps to stop refugees travelling in boats on the channel. It helps to stop victims of slavery producing the goods that we are buying in our supermarkets and retailers, and it means that girls will get that 12 years of education. In the week of the G7 and in the year of COP26, this is the time for the United Kingdom to stand with our head held high, show that we meet our global commitments and lead the world.

4.12 pm

Layla Moran (Oxford West and Abingdon) (LD) [V]: I congratulate the right hon. Member for Sutton Coldfield (Mr Mitchell) on securing this debate and on his speech. His recollection of starving children in Uganda brought a tear to my eye, and I was reminded of the extreme poverty I saw when I lived in Ethiopia in the late 1980s. He is right: those memories never leave you. It is those children I met—many of them my own age—who are at the front of my mind now, too.

In his remarks, the Minister drew moral equivalence between maintaining our promises to starving children and leaving future generations with extra debt—how shameful. There is no equivalence there, because one is a death sentence and the other is not, especially when our young people, just like the rest of our country, overwhelmingly support 0.7% being spent on aid spending.

To abandon this commitment comes at a real cost, and it is not just a humanitarian cost. It is true that more lives will be lost this year, next year and the year after that, until the day when the Government finally decide to return to 0.7%, and that is notwithstanding the mess that has been caused by cutting off those funding streams so quickly.

There is also a cost to the UK's global reputation. How on earth are we to convince developing nations at COP26 to trust our leadership at the most pivotal climate change summit in a generation when in the same breath we have undermined our credibility with them? This is a Government who say one thing and do another, who cannot be trusted, and who behave in a way that is so fundamentally un-British that it makes me feel ashamed.

When the Prime Minister stands up at the G7 this weekend, what will our allies and friends think? The Prime Minister will encourage our allies to pledge more to fund girls' education while he cuts spending by nearly £200 million. He will offer a hand of friendship to Italy, Germany and France while his Brexit negotiator continues to make incendiary comments about the Northern Ireland protocol. He will speak of the importance of promoting democracy around the world and adhering to the rule of law when this Government deny elected representatives the chance of any vote on aid spending, even when lawyers suggest that we are breaking our own law.

If the Prime Minister wants to make a statement about his Government's global ambitions, the single most meaningful and impactful thing that he could do right now is give us a vote on whether we should reverse these cuts. If a vote is granted, the Liberal Democrats, who introduced the legislation that enshrined the 0.7% in law, will join others from all sides of the House and will vote to keep our promises and hold on to our word.

I said that this Government and their actions make me ashamed. By contrast, this debate and the clear will of colleagues on all sides of the House to do the right thing should make all Britons proud. I look forward to continuing to work with them for as long as it takes until this Government listen.

4.16 pm

Sir Edward Leigh (Gainsborough) (Con): There have been some very moving speeches today. I could spend the time allotted to me repeating the humanitarian points, which by the way I believe in, that we have a duty to the world's poorest, but my criticism of the Government's action is based not so much on that as on the question whether this is the right way of proceeding if we are seriously concerned about running the public accounts in an efficient way.

Leaving to one side the fact that there is a manifesto commitment, which is important, I accept that the situation has changed with the pandemic and our economy

[Sir Edward Leigh]

has declined. Of course, the Government could have cut £2 billion from the overseas aid budget without any adverse criticism, because it was linked to the 0.7%. As our economy declined, we could very easily have cut the aid budget by £2 billion with no argument, but the Government decided to cut it further. What they should have done at that stage was be completely honest with the House and the people and say, if that was their view, "We don't actually believe in this commitment to 0.7%"—but no, they said, "We still believe in it—this cut is entirely temporary." But what does "temporary" mean: six months, a year, two years?

It is worse than that. The Government are, in a sense, hoist by their own petard. They have said that this is only temporary, so they have ordered the civil servants in the Department to go on cutting all these programmes. The one way to build in a lot of waste is cutting too quickly, which is almost as wasteful as increasing spending too quickly—I was often critical of the Labour Government when they increased spending too quickly. A lot of waste has now been caused by these civil servants going around cutting all these budgets.

I will leave aside the terrible humanitarian effects, because the point has already been made very effectively by colleagues, but if we accept the Government's own logic, in six months' or a year's time, the same civil servants will be running around restoring all these programmes. There will be a huge amount of waste, and in the meantime, incidentally, a lot of people will have died, a lot of wells will have run dry and a lot of girls' education will have been ended. People will have died and there will be a huge amount of waste.

Let me offer this compromise to the Government: just be honest, be transparent, be open with Parliament and accept parliamentary democracy. They could set a date—if they wanted, it could be by the Budget or some time early next year—when they will come honestly to Parliament with a policy. I am prepared to be open-minded about this 0.7% and to accept that although it is a manifesto commitment, there may be occasions where it might cause feast to famine to feast, but let the Government make their argument honestly. After all, this is the law; we are supposed to spend 0.7% of our budget by law. If we no longer believe that, we have to come to Parliament to repeal that Act or come to Parliament in the Budget debate and present an alternative. I am not even asking the Government to commit now in the Budget next year to restoring the 0.7%. I am just reaching out to them, with a compromise, to ask them to announce shortly, to end this debate, now and forever, that there will be a transparent, open debate within the next 12 months, so that we can determine this issue forever. Put Parliament first.

4.20 pm

Mr Virendra Sharma (Ealing, Southall) (Lab) [V]: I hope to be brief.

Looking around the world, we see so many problems that need our help—*[Inaudible.]* It has been a discourtesy to this House and to millions of people up and down the country who voted in 2019 for 0.7%, that this Government tried to cut that without any discussion or debate. I was heartened by the Prime Minister dispatching ventilators and oxygen converters to India, but Nepal is still waiting. India leads the world in vaccine research and production, whereas Nepal has no facilities to produce vaccines. Millions of vulnerable people in Nepal need vaccines, especially second doses. Those are not coming, but we have 500 million doses for 70 million people.

I have visited amazing programmes and met people whose lives were changed and saved by British aid. No one who has seen that work would condone a cut. The cut is barbaric at this time . When I meet people abroad, and online now, I am nothing but proud of our record as a donor to good works, But that work on gender equality, clean water and sanitation, 12 good years of education, ending human trafficking and modern slavery—*[Inaudible]*. We cannot let this Government waste that work without a fight. We must end this debate and support the return of 0.7% as our commitment to the nation and to the world.

Mr Deputy Speaker (Mr Nigel Evans): Thank you very much. Sorry about those communications problems, but we got the vast majority of it, Mr Sharma.

4.23 pm

Mr Tobias Ellwood (Bournemouth East) (Con): I very much welcome this debate today and I congratulate my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell). It will help widen our understanding of how British overseas aid commitments work and also our soft power, which allows us to speak with such authority on the international stage and goes in part to justify our seat on the UN Security Council. It is also plays a pivotal role in supporting our economy and strengthening our national and international security, which is what I wish to focus on today. I will just say that for too long our aid programmes worked in isolation of wider Government strategies, often without a British flag to even acknowledge their origins. We have come some way, but I would be the first to say that taxpayers' money must be wisely spent. As a former soldier, I was saddened and horrified to see the failure to utilise our aid programmes in both Afghanistan and Iraq; we won the war but we lost the peace. Hard power and soft power are two sides of the same coin, and we will need a lot more of both over the next decade—this is something the G7 summit will doubtless attempt to address. Our world is on a worrying trajectory, with rising authoritarianism, growing extremism and the new challenges of climate change and defeating a brutal pandemic that continues to damage economies and take lives, but the west has become risk averse, with an absence of leadership and resolve to address these issues alongside weakened international institutions that are no longer able to defend our rules-based order.

This G7 summit offers an opportunity for Britain to step forward as we have done in the past when other nations hesitated, but when we step back, we not only cause hardship, as we have heard today; we also leave a worrying vacuum that gets filled either by extremists in such places as Yemen and Somalia or more specifically by Russia and China, who pursue very different bilateral relationships that will most likely ensnare yet more nations into economic programmes they can ill afford. China has weaponised its soft power to extend its influence economically, militarily and technologically across Asia and now Africa. Nations are increasingly obliged to look west or east for assistance, and we are progressively seeing our word splinter into two competing geopolitical spheres of influence. That is the face of the new cold war that looms ahead, and this is not the time to reduce our soft power footprint.

We understand the huge bill of £400 billion that the Treasury faces, but if this is all about the money, why not learn from what we did after the war and ring-fence this debt, rather than using austerity measures to balance the books before the next general election? Our last war debt was finally paid off in Gordon Brown's era as Prime Minister. We should do this in the same way. We should find a fiscal instrument that allows us to manage the books more sensibly here today. As our history shows, we are that Churchillian nation that steps forward when others hesitate. I say this to the House from a security perspective: the next decade is going to get extremely bumpy indeed. The US is once again keen to play its part on the global stage, so in the spirit of global Britain, let us be that reliable ally, let us stay firm and let us honour our manifesto commitment.

4.27 pm

Chris Law (Dundee West) (SNP) [V]: If there was ever a time for humanity to come together, it is now. Millions have lost their lives to covid-19, and millions more will continue to suffer the effects of this global pandemic, so why are this Government choosing to impose devastating cuts to worsen and prolong the suffering of the poorest and most vulnerable communities in the world? Surely the way to honour those who have lost their lives and livelihoods to covid is to ensure that we build forward better across the world. This is the only thing, and the right thing, to do.

The Prime Minister talks about global Britain, but that means nothing when this Government are determined to scale back life-saving assistance to those most in need. He stated that a new royal yacht Britannia would be

"a clear and powerful symbol of our commitment to be an active player on the world stage".

However, living up to international aid commitments is far more effective in that regard than a flag-waving nostalgia-driven vanity project. If it is financially prudent to spend on a new national flagship and to stockpile even more nuclear weapons, there is simply no excuse not to reverse this devastating cut if we are be an active player on the world stage at the G7 summit this week. Indeed, how can this Government have any credibility whatsoever in calling for others at the G7 to commit to further spending to ensure global recovery when they and they alone are cutting back? The UN has specifically urged Governments to meet the 0.7% commitment, warning that 120 million people have been plunged back into extreme poverty and that the sustainable development goals could be pushed back 10 years due to the pandemic, yet despite all that, this Government have done the exact opposite.

It does not need to be like this. Other G7 countries are increasing their aid and we in the SNP have called for development spending to be ring-fenced at pre-covid levels. The Scottish Government, like others in the international community, will add to vital aid contributions by increasing our international development fund by 50%. The day Scotland becomes an independent player on the world stage cannot come quickly enough. Let us be clear that these cuts will cost lives. Estimates suggest that a million excess child deaths could occur as a result. These could be any of our children. Are we to turn a blind eye because they are someone else's children? Aid to Yemen, the world's worst humanitarian disaster, has been cut by 60%. Aid to Africa, where 85% of the poorest 1 billion people will live by 2045, will fall by more than two thirds. In the middle of a pandemic, this Government decided that funding that could have provided 10 million people with access to water and sanitation, the most basic defence against covid, should be withdrawn.

Finally, no one has escaped this pandemic, but the poorest have been expected to pay the ultimate price. No one is pretending either that the challenge of recovering from covid is easy, but as the rest of the world is stepping up, the UK should not be stepping away. Indeed, this is not just about political debate or defeating the Government; it is about saving lives. It is about those who rely on the international community to give them support, who have had their livelihoods destroyed, who will die in the hundreds of thousands, and who have little or no voice. The Government can choose to listen to this House and reverse these cuts, or they can abandon the world's poorest and become an ever smaller and insignificant little Britain of which we want no part.

4.30 pm

Mrs Maria Miller (Basingstoke) (Con): May I draw the House's attention to my entry in the Register of Members' Financial Interests?

We have heard some very powerful speeches today. Of course, I pay enormous tribute to my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell). I respect his impassioned arguments and long-standing commitment to international aid, but, respectfully, I have to offer an alternative view today.

The UK's commitment to international development is globally recognised. We are proud of our commitment to supporting developing nations, and we have heard that today. From my many years here, I can say that it has not always been this overwhelming a debate in the past. We have to be honest. The unprecedented circumstances of the past 12 months have forced this Government, as it would have done any Government of any complexion, to take some very difficult decisions. Circumstances are exceptional, because so much of our money—probably a globally unprecedented package—was put together to shore up our health service and to shore up our businesses in the face of a global pandemic. I think the Government are right—

Mr Mitchell *rose—*

Mrs Miller: Will my right hon. Friend just give me a moment to make my argument?

The Government are right not to put their head in the sand. It is not possible to continue with business as usual. These are not normal times. We have a responsibility as a Parliament to act, and to simply dismiss £4 billion-worth of expenditure as a rounding error is, I think, the first time I have heard such a thing in a debate such as this.

Mr Mitchell: I am very grateful to my right hon. Friend for giving way. Obviously, she and I do not fully agree on this. Would she like to speculate on why Britain alone of the wealthy nations is cutting its aid when everyone else is either maintaining it or increasing it? Why is our economy so bad that we have to balance the books on the backs of the poorest people in the world, unlike all the other rich countries?

Mrs Miller: I think my right hon. Friend is right, and I would speculate—although I would need to look at the figures in more detail—that perhaps our country has put more money into supporting our health service and more money into supporting jobs. Perhaps we will be in a better position to resume our international aid spending when we are on the other side of this pandemic. He is right that we need to look at that in more detail.

We cannot always forecast the future, and that is why the legislation has provisions in it to be able to make the sort of changes that the Government are proposing today. I say to my right hon. Friend that he makes a very strong argument about the importance of international aid, and he knows that I agree with him on that. I do not think that he should be over-simplifying his argument in the way that he started to in his opening statement today. The action that the Government are taking is not simply regular politics. The fiscal crisis the country faces is a result of the pandemic and that speaks to every constituency throughout the country. Nobody would choose to be in the situation that we face today, but to paint this as the UK walking away from its global responsibilities is wrong and it sends a very wrong message from this place to the rest of the world.

Anthony Mangnall (Totnes) (Con): Will the right hon. Lady give way?

Mrs Miller: I will not give way again, else I will get into trouble with Mr Deputy Speaker.

We remain one of the main funders of international aid around the globe and we need to be proud of that. There has been much talk of reputation in this debate, and I believe that a reputation for fiscal competency is also a key part of our reputation around the world. If we are to remain one of the biggest contributors to international aid, we also need to retain our reputation for fiscal competency. Perhaps some of the fragility of the funding regimes, which a number of right hon. and hon. Members have talked about today, highlights the fragility of what is going on in the international aid sector and indicates the importance of increasing the number of countries investing to the level that we consistently have over a number of years and also of working together more to avoid that fragility in times of crisis.

My right hon. Friend the Member for Staffordshire Moorlands (Karen Bradley) is absolutely right: we cannot isolate ourselves, and the pandemic has demonstrated that amply. I therefore hope that my right hon. Friend the Minister will be back here soon to confirm when the UK can return to its normal terms of business on international aid. I also hope that he, or perhaps his colleagues, can talk more about what the Government will be doing to fulfil the promises in their equality strategy, so well set out in 2018, because that will all give certainty for the future. But for now, I believe the approach that he is taking is prudent not just for us, but for future generations as well.

4.36 pm

Neil Coyle (Bermondsey and Old Southwark) (Lab): I refer the House my declaration of interests.

The UK is at a crossroads. Our citizens and the international community wait to see which way the Government will take. However, it is not that Ministers cannot pick a route; it is that they have chosen, in the words of the brilliant speech by the right hon. Member for Sutton Coldfield (Mr Mitchell), to go backwards—and, I would add, have too frequently chosen to go back on their own word. This Government were elected on a manifesto commitment to retain aid spending. Ministers now seek to break that promise, despite their massive majority and despite the global pandemic, just when we are needed more than ever and when global Britain could mean something to the countries and people we are in a position to help.

As we have heard, no other G7 country is taking this approach—Germany and the US are increasing their help—and the outcome is also known. Ministers back-tracking and breaking their promise will mean avoidable loss of life and the preventable spread of disease, and in one case—the failure to provide clean water in a Yemeni refugee camp—could even mean more refugees trying to reach the UK.

The broken promise also contradicts the great British tradition of not ignoring problems and not walking on by. We are the good Samaritan—we pitch in; we help. We do so because it is the right thing to do, but it is not just altruism. We also do it because covid has proved more than ever that no one is safe until everyone is safe. Our aid prevents other diseases, such as HIV, spreading to our shores, can help to prevent conflict involving UK armed forces and the creation of refugees seeking further help from the UK, and can help to facilitate trade benefiting British business. Ministers seem ready to stand by and abandon all that.

"Global Britain" means nothing to most people, but it will mean even less without the agencies needed to deliver it—all those international aid organisations, which currently have so little faith in Ministers after the deceitful claim that they were consulted on the abolition of the Department for International Development and the devastating £4 billion cut in the help they deliver on the front line.

We all recognise that covid affects things, but the Government need to be more ambitious for our international reach and for our country. Let us compare how this country has recovered from previous crises. The post-war Labour Government achieved house building on a scale never seen before, created a social security system that the whole country has benefited from ever since and delivered an NHS still proving its worth in the face of covid today—a post-crisis Labour legacy that the whole country remains proud of. By contrast, this Government seem to seek no positive post-covid legacy. Ministers are abandoning even their own manifesto promises to the British people, despite the massive majority—promises on aid and cuts to the armed forces, as well as the pledges to overhaul social care and even on free TV licences for some pensioners. It is a truly pathetic agenda.

That said, I respect the noble aims of the right hon. Member for Sutton Coldfield and other Government Back Benchers, including the former Prime Minister, the right hon. Member for Maidenhead (Mrs May). I genuinely hope they are successful in overturning the Government's betrayal of their own manifesto and their wider betrayal of the British people who voted for them.

4.39 pm

Steve Brine (Winchester) (Con): I have had hundreds of contacts from constituents concerned about the changes being made to our aid programme. Not all of them agree with me, but many do. My judgment is that the people I represent, like their MP, are really proud of the support that we give around the world.

But we should be honest: yesterday's amendment, which led to today's debate, was far from perfect. It would not have restored all the projects that we have heard about today. We are still spending £10 billion this year as the Minister rightly said, and we have seen the biggest drop in economic output for 300 years. Therefore, does the 0.7% to 0.5% cut matter? Have we rather pompously overblown our world-leading reputation in this area? My answer to those two questions is: yes, it does matter, and, no, I do not think we have.

I held the international health brief at the Department of Health and Social Care. I have attended G7 and G20 meetings—not at the level of the former Prime Minister, my right hon. Friend the Member for Maidenhead (Mrs May), and the former Secretaries of State that we have heard from, but I have been in the room. I hear the talk about it damaging our reputation around the world. Perhaps some think that that is overblown—perhaps they think it is part of our pompous overblowing of this issue—but it does matter. I have seen that in the room: what the UK does matters, and countries follow us. We are in a position to ask them to do so because of our deeds.

I have also seen much of the good work that we do. HIV is one of the many examples that I know about and am particularly worried about. An open letter published today by a wide range of organisations working in this field, plus Lord Fowler, who knows a thing or two, says that they fear that the reductions risk

"setting the stage for a resurgence"

of the AIDS pandemic. That sits at such odds with the domestic progress that we have made on HIV and the recommendations of the HIV Commission, which I was proud to be part of, on ending new HIV transmissions by 2030. What will happen around the world with the HIV reduction programmes is tragic.

Anthony Mangnall: My hon. Friend is making an important point about HIV/AIDS. The fact that it has been cut by 80% because of this decision is kicking the can further down the road and making it a bigger problem in the future. Does he agree that this jeopardises everything we have worked for?

Steve Brine: Yes, and frankly it does not really matter whether I do. Dozens of organisations working in this field have written an open letter in *The Telegraph* today setting out why and how this matters. I am really worried about it.

I think back to my early days in this House, and one of the first things that I did in Winchester, which I am so proud to represent, was to hold a session with the former Minister, Stephen O'Brien, who was a very good International Development Minister. It was called "Ask the Minister", and it was in St Paul's church in Winchester. Dozens of constituents came to that meeting to listen to the manifesto commitment that we made in 2010 and the way that we were going to legislate for it.

For me, this is not just a manifesto commitment made then and in 2019; it is a personal commitment that I want to stand by. I know that to meet it, we have to make choices, but it was a choice to make the pledge in the first place, and it is a political choice to keep it or not now. Abandoning 21 June, as we may do next week, is also a choice that will have a price tag attached to it. Perhaps there is a correlation there.

Finally, let me give an example from my Winchester constituency that saddens me. It is actually rather personal, given the global health budget that I used to hold. For many years, Hampshire Hospitals NHS Foundation Trust, which runs my local hospital in the University of Winchester, has obtained funding and used it to provide support for overseas projects such as stroke services in west Africa, and paediatric maternity surgery and anaesthetic care in several east African countries. It has been funded thorough the Tropical Health and Education Trust, which receives money through UK Partnerships for Health Systems. It has had its programme cut from 2020 through 2024 as a result of this reduction, so it is not just a one-year hit, as some say. It is devastated about the work it is now not going to be able to do.

If anybody on the Opposition or Government Benches, friend or foe of mine, or any of my colleagues speaking against this proposal today, thinks that we enjoy giving the Government a hard time, let me say, we do not. I am here to say what I think on behalf of the people I represent, and I think this is wrong. Even now, at this late stage, let us not do this. As I always say to constituents who disagree with me on this subject—and there will be many—charity does indeed begin at home; it just does not end there.

4.44 pm

Catherine West (Hornsey and Wood Green) (Lab): It is a pleasure to hear so many Members across the House joining together, looking at the progress that has been made on HIV/AIDS over the years and urging the Government to change their mind on this funding question. I know my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), who chairs the all-party group on HIV and AIDS, which is cross-party, has also done an enormous amount of work on this.

I want to talk today about the impact on British science, but before I do I want briefly to mention the many wonderful experiences that we as Members, in different parties, had in, for example, Kenya or Nigeria, where so many children die from malaria. We know that, with the Commonwealth Heads of Government meeting this month, we are meant to be showing a very strong sense of leadership and I feel this kind of decision undermines that.

I was very pleased to hear the right hon. Member for Gainsborough (Sir Edward Leigh) talk about the waste of the in-year cut. When we cut budgets in-year, we may as well not spend the money at all; we just throw it away. So some medication that is being provided through programmes will actually be disposed of because of an in-year cut. It is a really bad way to manage programmes.

On British science, I declare an interest because my other half is a scientist and is very involved in malaria research. I understand that Dr Gilbert, who in Oxford invented the vaccine, invented it because she has a background in trying to find a vaccine for malaria. It is a very different kind of parasite from coronavirus—of course, coronavirus is much simpler, so it is much easier to get a vaccine—but the reason she is a vaccinologist and understands vaccines is that she worked in global health, and the UK is known for its excellence in that area.

[Catherine West]

These ODA cuts will have a massive impact on our regional universities. Of course, what we are trying to address are the regional inequalities within the UK. We know, for example—and the hon. Member for Winchester (Steve Brine) mentioned the trust in Hampshire—that there are 500 health facilities across Africa and Asia that work closely with the Liverpool School of Tropical Medicine. They teach medical science and medical research to Africans and in Asia as well. In particular, the concept is so good—this was one of the special things about many of the DFID programmes: it was a hand up, not a handout. Everybody wants to see these programmes where British scientists work closely with African scientists. They are equal scientists, and they work together and collaborate. It is not just handing out in a kind of philanthropic way to make us feel good; it is working on the global problems that affect each and every one of us. We are so far ahead in our vaccine project because of that background in global health.

This debate is taking place in the context of *The Times* rich list, where there are 23 more billionaires this year. Our economy has the potential, but we have to make our economy work harder so that we can afford this, because it is inequality that is going to bring down our society, which is going to cause even more problems, and we must tackle that difficult problem. Christine Lagarde has been saying it for years, and the IMF is saying it. Tackle inequality, and the rest will look after itself. We have to find a way for the 23 billionaires to help to pay for the £4 billion that we need to maintain this UK excellence across the world.

4.48 pm

Steve Double (St Austell and Newquay) (Con): This is a very difficult debate for me. It is very difficult because I can genuinely see both sides of this debate. It is difficult because I find myself with a different view from many colleagues on these Benches whom I respect very highly, and it is difficult because I, in my six years in this place, have possibly been one of the most enthusiastic supporters of our overseas aid budget. But we have to make some tough choices at this time, and I am sure that this is going to be the first of many tough choices that this House and this Government are going to have to make in the months and years ahead.

This pandemic started as a health crisis, but the longer-term impact will be an economic and a fiscal challenge. I say that representing one of the most disadvantaged parts of the UK, and it is forecast that the economic impact will be felt deepest and longest there. The money to continue our level of aid spending has to be found from somewhere. I am concerned that one of the effects of the last year is that we seem to have lost a sense of proportion of financial discipline. Colleagues have spoken of £4 billion as a rounding error. I can remember when hundreds of millions of pounds were talked of as a big Government spending item and now we talk of £4 billion as a rounding error. What has happened?

Many have spoken about our breaking of a manifesto promise. I remind colleagues that our manifesto also promised that we would reduce the debt over this Parliament—that the debt at the end of this Parliament would be smaller than at the beginning. We are having to break that promise—we all understand why—but let us not pretend that cutting our aid budget at this time is the only manifesto promise we are going to have to break because of the very difficult situation in which we find ourselves. I find it very uncomfortable that we have to make this cut in our aid spending, but I also feel very uncomfortable adding to the debt that my grandchildren will probably have to pay back for this country. That is a tough choice that we have to make.

We will remain one of the largest contributors in the world. The way some hon. Members are talking here today, it is as though we are completely cutting our aid budget and will never spend another pound. We are still contributing £10 billion—the third highest amount in the G7. Several Members have made comments about providing leadership and losing our influence, but in all the years that we stuck to our 0.7% aid target, how many followed us? Not very many. So let us not overplay our global influence in that regard.

It has been common to trail through tweets this week. I have been quite surprised that some people on these Benches who have been the most enthusiastically in favour of 0.7% today were putting out tweets just a short while ago saying that it was the wrong decision for the Government to make. So I think we need to look at the wider picture.

I simply say two things to the Government. I do not find it easy, but I do understand, in the current context, why the decision has to be made to start making those tough decisions to restore financial discipline. That is something that we on these Benches, in this party, should stand for.

In concluding, I ask the Minister two things. Can we please ensure that the cut to overseas aid is done in a way that minimises the impact on the world's poorest and most vulnerable? I think there are savings that can be made, but let us make sure that they are made in the right way. With a heavy heart, I support this, but can we please make sure that we return our international aid budget to 0.7% as soon as we possibly can?

4.52 pm

Claire Hanna (Belfast South) (SDLP) [V]: I thank Mr Speaker for allowing this emergency debate.

The decision to abandon the Government's own manifesto commitment was not just morally regrettable but, like a disturbing number of actions by this Government in this term, it was unlawful, too. The Government have again bypassed Parliament and demonstrated contempt, in that it has taken until today, in an emergency debate, to address this matter. I commend those Conservative Members who have secured this debate for their articulation of our shared norms of global interdependence and of democratic norms.

Although I appreciate that nobody who has spoken is relishing this change, we have heard from cheerleaders of the policy that we need to help our own instead. That false binary might just ring true if those same voices were not actively advocating against meaningful pay for healthcare workers and against funding catch-up education, and if they were not actively misrepresenting, with tabloid myths that insult the intelligence of the public, the real achievements that the UK has made through aid. Nobody credible denies the serious economic contraction in the situation that we are in, but we are advocating that a principled choice be made, and that this Government and nearly all Members of the House keep a promise that they made.

Last November, speaking about the security and defence review, the Prime Minister said:

"Britain must…stand alongside our allies, sharing the burden"—[*Official Report*, 19 November 2020; Vol. 684, c. 487-488.]

But this retreat does the opposite. For the first time in many years, development progress around the world is going backwards. Reports estimate that 200 million people will be pushed back into extreme poverty because of the pandemic. Decades of practice and evidence underscore the truth that long-term development investment, the like of which UK aid successfully supports, creates resilience that helps the poorest and the most vulnerable to withstand the economic and environmental shocks that are becoming more frequent, which in very large part is due to our actions and our consumption.

This cut is, at the very best, penny wise and pound foolish, because economic investment in aid is far-sighted. Well-nourished children will learn well in school; empowered and informed women will see their children survive and thrive; innovative, invested farmers will be able to feed their family and have more for market. Aid also creates a more secure world. Draining the reservoirs of poverty guards against extremism taking hold and creates a safer future for us all.

The UK's development record of being a generous aid supporter has been something to be really proud of. Like many hon. Members, I have seen the effect of that money in practice many times, having worked for over a decade in the aid sector. As an Irish MP in the UK Parliament, I think it fair to say that some of the rhetoric and symbolism that I hear around sovereignty, militarism and flags does not move me politically, but like many others, I have been deeply proud of the UK's record on spending and effectiveness in aid. It is the mark of a serious global actor and an inclusive, modern, progressive union of people.

Whoever policy decisions like this are designed to appeal to, please let us not forget that there is a mainstream of public opinion that believes in multilateralism and generosity—we exist as well. The UK's aid spend saves lives around the world, but it enriches all our lives here as well, and it should be protected.

4.56 pm

Harriett Baldwin (West Worcestershire) (Con): Mr Deputy Speaker, may I thank you and Mr Speaker for allowing today's emergency debate and congratulate my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) on securing it?

I have had the privilege of representing the UK as a Minister in the Foreign Office and the Department for International Development and of seeing, around the world, the good that our aid budget does. Whether from our work in the midst of the Ebola outbreak in the eastern part of the Democratic Republic of Congo—where the fact that the UK had invested in vaccines and their cold chain deployment meant that we were able to contain that deadly disease—or from the work that we put into neglected tropical diseases, which has meant that we have been able to contain and control other diseases from reaching the UK, surely we should have learned how important it is for the UK for us to work on such shared global challenges for humanity.

I have had the privilege of going to Goma, near where the volcano is erupting, and seeing how we have brought fresh water there. It was UK expertise and UK firms that won the contract to do that, which benefits our economy here and those exporters as well. It is a win-win for the UK public and for the world. I feel very strongly that it was a great privilege to say that we were—as we used to be—the only G20 country that met its NATO 2% target and the 0.7% UN target for aid. Surely if global Britain means anything, it means that, and being able to say that so proudly.

I was particularly proud to stand on a manifesto that again committed to those metrics for our position in the world. Politicians hesitate to break manifesto pledges because they know that the electorate will punish them at the next election if they do, whether they are George H. W. Bush saying "Read my lips: no new taxes" or Nick Clegg with his tuition fees. People realise that they should not break manifesto pledges because the electorate dislike it, but in this case I feel that the people who benefit from our aid budget the most are the ones who have no voice in this place. I have met them, and I need to articulate on their behalf how important this spending is.

There is another reason why I feel particularly passionate about the subject: the fact that we have enshrined the 0.7% in law. I know that there is a get-out in section 2 of the 2015 Act, under which a Secretary of State who inadvertently does not meet the 0.7% target can come to Parliament, explain why and state how they will get back to it. However, actually targeting 0.5% is absolutely a contentious legal issue and something that I think may well be challenged in the courts. The Government have a large majority, so the simplest thing to do, if it is such a good idea, would be to come to Parliament for that consent. The power that the Executive have is derived through us in Parliament; therefore they need to show respect for Parliament by coming and asking us, and giving us a vote, as my right hon. Friend the Member for Gainsborough (Sir Edward Leigh) put it so powerfully.

I could expatiate at length about how passionately I feel that we are making the wrong decision, but in this week, when we are hosting the G7, when we need to vaccinate the world and when cases are really beginning to grow exponentially across many African and Asian countries, and when we heard last week from every country at the 142nd Inter-Parliamentary Union Assembly that they need the vaccines, let us get out of this hole by giving our vaccines to the world.

5 pm

Kerry McCarthy (Bristol East) (Lab): I congratulate the hon. Member for West Worcestershire (Harriett Baldwin), the former Minister, on her speech. She speaks very powerfully from her own experience of visiting projects. When I was first elected back in 2005, the first overseas visit I was invited to go on was when Oxfam took me to the camps for internally displaced people in the north of Uganda. I had never seen poverty on that scale. It was very much like the sorts of images that we would have seen during the Live Aid broadcasts. That made a huge impact on me, and I have seen on other overseas trips—for example, to look at our disaster relief effort after the earthquake in Kashmir—how much good we can do on the ground, often with very small but much-needed amounts of money.

Many of us sometimes get criticism for travelling abroad as MPs, but it really brings home to us the importance of such pledges. It is frankly shameful that during a global pandemic, when the need for international leadership

[Kerry McCarthy]

and support for poorer countries is greater than ever, the Government would renege on their commitment to support the poorest people of the world without bringing it to the House for a vote.

The pandemic has fuelled an increase in gender-based violence, disrupted children's education, increased food insecurity and threatens access to crucial healthcare. And yet, as we have heard, the UK aid budget for education has been slashed by 40%. UNICEF has lost 60% of its core funding, and the United Nations Population Fund has lost 85%, which it says could mean 250,000—a quarter of a million—more mother and baby deaths. In Yemen, home to the world's worst humanitarian crisis, we are cutting funding by nearly 60%, while refusing to suspend arms sales. The International Trade Secretary has said in response to letters that I have written to her that current arms exports are legal and match the consolidated criteria, but we cannot simultaneously be peacemaker and arms dealer.

I want to make a special plea today, though, for the Government to recognise, ahead of COP26, our obligations towards climate-vulnerable countries. These countries bear very little responsibility for our changing climate, yet are most affected by its consequences, be they rising sea levels, changing temperatures, droughts, declining crop yields or extreme weather events, which are becoming ever more frequent and more severe. There is an urgent need for more funding for climate adaptation, as well as aid to help to address the deepening inequality linked to climate change; and, as we play host to the G7, we should be leading on debt relief for the poorest countries, too. We cannot carry on giving less with one hand and taking away with the other.

I also want to flag up the plight of the small island developing states, as chair of the new all-party group. Although the UN has recognised SIDS as having particular social, economic and environmental vulnerabilities, the common metrics used to determine vulnerability and need when it comes to ODA do not take that into account. As a result, many SIDS do not qualify for aid, yet work by the United Nations Development Programme on a multidimensional vulnerability index shows that the majority of SIDS are far more economically vulnerable than their income level would suggest. SIDS are not only facing some of the very worst consequences of climate change; they have also been devastated financially by the pandemic because of the collapse in tourism and are particularly prone to extreme weather events and other natural disasters. The recent volcanic eruption could cost Saint Vincent and the Grenadines up to 50% of GDP. Other SIDS are trapped in a vicious cycle of debt, including Belize, which has defaulted on or restructured its debt five times in the last 14 years.

To conclude, we are facing the biggest global challenges in our history, with a pandemic that has devastated the global economy and a rapidly changing climate. We know that some nations are more prepared than others for these challenges, and we cannot turn our backs on the vulnerable now.

5.4 pm

Neil O'Brien (Harborough) (Con) [V]: The last year has had unprecedented effects on our economy, our public services and the world, and it has left us facing some profound choices this autumn. For all the reasons that numerous Members have mentioned in the debate, none of us wants to have to make these changes to international aid spending, but if we look at the promises we have made, we will see that we face some very difficult choices this autumn. We have promised to help children catch up on their education, and tomorrow we will have a debate in which numerous Members will say that they want to spend more on that. We have promised to catch up on the NHS backlog, which has inevitably built up during a year in which nurses, doctors and everyone working in the NHS have worked overtime and worked their socks off. They have been under an unprecedented level of strain, which has caused a large backlog in NHS demand.

We also face long-standing questions such as the crisis in social care in local government. Again and again in my surgeries, people come to me to complain about squalid conditions, the difficulty of accessing care and the impossible burdens of paying for care. Last but not least—and I declare an interest here—there is the whole question of levelling up and the many things that we promised to do to change the grotesque inequalities in life expectancy and the grotesque differences in income levels and opportunity around this country.

We have many, many promises to keep. Over the last year, we have done unprecedented things to save jobs and livelihoods—we have spent like never before—and because of that, we now face some very difficult choices. I am not somebody who decries the value of aid. I can see that it does much good around the world, and we will continue to be one of the world's biggest spenders. None the less, I think that to be in government is to make choices. We face difficult choices, and we have many promises to keep on lots of fronts.

Ultimately, all of us are elected to serve the people and to be servants of the people. It is clear to me from every poll I see and every conversation I have that the public know that we have to make choices. They know that we have to prioritise, and the things that they tell me they want to prioritise the most are our health service and giving opportunities and jobs to the places that need them. These are horrible choices to have to make. I salute all colleagues on the other side of this argument who have come to a different view from mine. None the less, with a heavy heart, I think that this is the right thing to do because of the difficult choices that we face.

5.7 pm

Afzal Khan (Manchester, Gorton) (Lab) [V]: We have a moral duty and, currently, a legal obligation to help those in need. Whether it is securing girls' education or responding to humanitarian crises in conflict zones, aid can be the first and last hope of improving lives. Britain is the only G7 nation to cut aid during this global crisis, and now its allies are taking note. With the G7 summit set to begin later this week, the Government's stubborn refusal to reverse this decision will weaken the country's position considerably. The US Congress has already written a letter urging the UK to reconsider its position.

For aid to be truly effective, the recipient must have consistency and reliability, and that is currently at risk under this Government. My constituent Nicola Sansom is the CEO and co-founder of SALVE International, a small international development charity that has been supporting street-connected children in Uganda since 2008 to have a brighter future through education and family reunification. She had been awarded a grant worth £50,000 from the small charities challenge fund but then received the devastating news that it had suddenly been cut. Nicola's case is just one of many. Given the last-minute decision to cut funding for SALVE, can that funding be reinstated, so that the hard work done by the organisation does not go to waste and it can make a genuine difference to girls' education in Uganda? Can the Minister confirm his commitment to get 40 million girls into school by 2025, in the light of an estimated 25% cut to girls' education funding? How does he expect to fulfil this commitment without adequate funding to ensure that girls are not subjected to violence, abuse and harassment?

In the light of the recent events in Palestine that saw complete disregard for international law by Israeli forces, United Nations Relief and Works Agency funding provides much-needed aid, vital help and educational programming, and helps to strengthen co-operation between Israelis and Palestinians. Given the ongoing blockade of Gaza and the devastating human rights violations, can the Minister guarantee that the UK funding commitment to UNRWA will not be involved in this Government's discriminatory cut to the UK's aid budget?

There is an undeniable case that UK aid helps the world's poorest and most vulnerable. During this difficult time, it is even more important that we continue to empower the powerless.

5.10 pm

Anthony Mangnall (Totnes) (Con): I congratulate my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) on everything that he has done to get this debate, and the team behind him on their extraordinary job in helping to run this campaign.

It is, of course, no easy thing to go against the grain of one's party—although given the amount of times I have rebelled, I am not sure the Whips are going to believe that of me—but I do not do it lightly. I do it with the consideration of why I was sent here, what I believe in, and what, given their views, people who support this party would expect us to do.

Over the course of my time in Parliament, we have had numerous debates about global Britain. For me, it is quite simple: the definition of global Britain and what it embodies is defence, diplomacy, trade and, of course, development. Each one of those pillars relies heavily on the other. Our trade ambitions, our defence operations, our diplomatic networks and our development programmes all peak and trough depending on one another's successes. Whatever the variation, that quartet of sectors helps to promote Britain on the world stage. They represent a Britain that, as my right hon. Friend the Member for Haltemprice and Howden (Mr Davis) pointed out, does not step back but steps forward. In trade, we are striking many new positive free trade agreements; we are being ambitious, global and outward-looking. In defence, we are sending our aircraft carriers around the world. Our diplomatic network is still viewed as one of the finest in the world. Up until last year, I would have maintained that our commitment to 0.7% was not just the correct thing to do but an act of global leadership that benefits our trade, defence and diplomatic missions, all of which are truly reflective of global Britain. In committing to the 0.7% target, we offered not just warm words but firm action for those most in need.

I have listened carefully to the words of colleagues during this debate and over the course of the past year. I have heard all too often that we simply cannot afford to pay for the 0.7% development budget given the pandemic and the economic climate. Leaving aside the fact that the 0.7% target fluctuates depending on the strength of our economy, ensuring that in good times there is more money and in bad times there is less, I humbly remind everyone in this House that we brought it in in the wake of the financial crisis, when our economic growth was possibly at its lowest, with no forecast to boost it.

Mr Mitchell: My hon. Friend is making an extremely good and sensible speech. May I thank him for the immense amount of hard work and leadership he has undertaken in advancing this argument and getting it to this point today?

Anthony Mangnall: That is incredibly generous of my right hon. Friend and I appreciate it.

We stood up just post the 2010 election because it was the right thing to do and because it demonstrated our global leadership and encouraged others to follow suit. It is simply not the case that other countries have not followed suit, with France and Germany now hitting the 0.7% target and America doing likewise, reflecting the fact that our leadership has encouraged them to do so. With a new President in the United States who is reaffirming the rules-based order, we can truly say that we have a global group that will support 0.7%, but not if we do not stick to our guns on this. We have been able to assist in humanitarian crises and conflict zones around the world. We have been able to address the health issues, sanitation issues and education issues, but all that has been put into jeopardy. As has already been mentioned, with this cut from 0.7% to 0.5%, we are cutting global health budgets —down by 14%; girls' education—down by 25%; clean water—down by 80%; the Joint United Nations Programme on HIV/Aids—down by 80%. All these budgets are being cut during a pandemic where the problems are exacerbated as opposed to diminished. No impact assessment has been undertaken and no review has been done of what those cuts would mean to the different organisations. It is a simple stroke of the pen, no vote in Parliament and absolutely no consideration for the consequences.

It is a staggering miscalculation to ignore our international obligations and moral duties, because we cannot protect ourselves at home if we do so. Many have argued that that money should not be spent abroad, but if we wish to tackle terrorism, asylum and climate change, we have to be out there. We have to be co-operating on an international scale to ensure that each of these points is addressed and that we live in a truly globalised world.

We have been told that tough fiscal decisions will have to be made, and I accept that. I recognise the extensive cost of the Government's very generous support packages, but as of today, the only area in which the Government have cut funding has been the 0.7%, minus of course the public sector pay freeze. Perhaps the Minister —when he returns to the Chamber—might answer why that is. The party committed to 0.7% in 2019, 2017, 2015 and 2010. We all won those elections on the basis of promising that to our electorate. It would be a shame if we could not stand up for the promise to the

[Anthony Mangnall]

world's poorest people that we made to our electorate and deliver on all the programmes depending on UK funding.

5.16 pm

Florence Eshalomi (Vauxhall) (Lab/Co-op) [V]: I thank the right hon. Member for Sutton Coldfield (Mr Mitchell) for his persistence in bringing this issue to the House today. I am deeply concerned by the UK stepping back from its responsibilities to the world's poorest and abandoning its commitment by cutting aid, and so are many of my Vauxhall constituents who have contacted me.

Six years ago in 2015, we were the first G7 nation to enshrine in law our commitment to the UN's target of 0.7% of gross national income on overseas aid. As we prepare to host the G7 summit at the end of this week, the UK is breaking its promise, while other G7 countries such as France and the USA are maintaining or increasing their aid commitments. This is not the global Britain we want the world to see. The aid budget should be used to tackle the global challenges facing us all: the pandemic, the climate crisis and rising poverty and inequality.

A few months ago on 8 March, we celebrated International Women's Day, and men and women across the UK spoke out against violence against women and girls. We can choose to challenge and call out the inequality we know that so many women continue to face. I am sure that Members across the House would agree that one of the best ways to help address that inequality is to ensure that women and girls have access to vital education —not only at home here in the UK, but right across the world.

The UK's ambitious targets of getting 40 million more girls into school and 20 million girls reading by the age of 10 by 2026 have been adopted by the G7. Indeed, the Prime Minister said a few weeks ago on 12 May:

"Supporting girls to get 12 years of quality education is one of the smartest investments we can make as the world recovers from Covid-19. Otherwise we risk creating a lost pandemic generation…I'm going to be working throughout the UK's G7 presidency to ensure leaders invest in those girls and boost children's life chances around the world."

Reducing the aid budget is in direct contradiction to the rhetoric from the Prime Minister a few weeks ago and the reality faced by millions of people working across the world to support women or girls and many others across the aid sector. The cuts will have far-reaching consequences for some of the world's most marginalised and vulnerable people. Projects such as the International Rescue Committee's Girls' Education Challenge—the UK's key programme for supporting girls' education in Africa and Asia—could now be at risk because of this cut. I am concerned by the UK's sudden role—*[Inaudible.]*

Mr Deputy Speaker (Mr Nigel Evans): I think we have just lost Florence. I am terribly sorry. *[Interruption.]* I think we will have to leave it there. I call Pauline Latham.

5.19 pm

Mrs Pauline Latham (Mid Derbyshire) (Con): Thank you for calling me, Mr Deputy Speaker, a little earlier than I anticipated.

I congratulate my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) on securing this debate—sad though it is that we have to have it—and thank Mr Speaker and the Deputy Speakers for allowing us to go ahead. The saddest part is that we will not be allowed a vote on the issue. We will not be able to decide democratically what this House wants to do. It has been decided for us.

I am very disappointed that the Minister is not in his place at the moment, because I wanted to paint a picture of the things that I have seen when travelling with the International Development Committee. I want everyone in the Chamber to imagine that their daughter has got married young, too young, and that there is now no contraception for that daughter, so she has a child early. However, we have not managed to help that future mother with nutrition, so when she has her baby—if she survives it—she will have a child who is stunted. That could be in any country that we help, because those are the poorest people in the world.

The child will never get the brain power it deserves, because it has been starved during the gestation period, but we are cutting the amount of money for nutrition, so he or she will never catch up—can never catch up, because once someone's brain is stunted, it can never do so. None of us in this Chamber wants to see that happen, but that is the reality of it. The mother could die because there is no contraception, the child will not reach its potential because it is stunted, and the child might never have a job and so afford to send its own children to school. The cycle goes on and on.

The problem is that we will be partly responsible, because we are cutting our aid budget so much. I have seen some of the figures, and the hon. Member for Rotherham (Sarah Champion) listed a lot of the cuts, which seem totally random and not thought through—"Oh, we'll just cut that!", or, "Yes, we'll do that!" I think that the problem with some of the Ministers who have made the decisions is that they have not been to see for themselves the devastation of the impact on those poor people, the poorest people in the world, whom we as a very rich nation by comparison should be helping.

I have spent 11 years in this place, sitting on the International Development Committee, so I have seen the good that our aid has done. It is not perfect; we do not always get everything right, but we get a hell of a lot right to help those poorest people. We have saved lives—but we will lose lives.

The Minister is not a callous man or a cold man, and I am sure that when he made his speech, it was not one that he wanted to give. I am sure that he will do what he is told and give the speech he has been given at the end of this debate, but I am disappointed. I hope—now he has returned to the Chamber—that he will read what I have said about what we are doing to the poorest people in the world. He should go back to the Treasury and to the Prime Minister to say, "We are wrong." It is as simple as that. Let us change our policy and go back to 0.7%.

Mr Deputy Speaker (Mr Nigel Evans): We are trying to get Florence Eshalomi back, to give her the last minute. We will see how that goes.

5.23 pm

Hywel Williams (Arfon) (PC): I am grateful to the right hon. Member for Sutton Coldfield (Mr Mitchell) for securing the debate. I admire the authentic passion that he brings to this subject.

I oppose these unjustified and unwise cuts to aid. The Government are said to be motivated by a wish not only to balance the books and manage public spending, but to court popularity in the red wall seats. I can tell the Minister that opinion in Wales is very much against the Government on this and it will do them no good. When we get that long-overdue by-election in the north-east of Wales, they will see that for themselves.

From a Welsh perspective, I note that smaller European countries—Denmark, Sweden, Luxembourg, Norway—have met their 0.7% of GDP targets. Indeed, Sweden has provided not 0.7% but 1.14% of its GDP in aid. Sweden and the others can do this, and they achieve the 0.7% and more. Unfortunately, the UK can but chooses not to do so.

Leading figures in Welsh public life and local constituents alike have expressed their dismay, describing this cut as a double blow to the world's poorest communities at the time of a pandemic. The Welsh Government themselves, in their policy documents on international matters—their agenda—say that they are

"committed to promoting social justice, fairness and equality".

What value have those fair words from the Welsh Labour Government when we are tied to and overruled by this mean-spirited, short-sighted policy from the Westminster Government?

The United Nations Population Fund is to be cut by 85%, UNICEF's core funding to support children by 60%, and total funding by £4.5 billion. Those figures would be a disgrace to any country, but given this Government's pretensions to be a leading global power and an example to others, they are not only a disgrace but a major self-inflicted blow to the UK's international standing.

I referred a moment ago to the United Nations Population Fund. What does that cut mean in real terms? Funding is to reduce from £154 million to £23 million, which will lead, it says, to up to 7 million unintended pregnancies, 2 million unsafe abortions and 23,000 maternal deaths. UNICEF says that it is "too soon" to judge effects, but

"children…in some of the world's worst crises and conflicts will suffer"

as a consequence—as a deliberate effect, unfortunately—of this policy. Lastly, Save the Children says:

"These cuts will trim UK borrowing by a fraction, but devastate lives across many of the world's poorest countries."

Because of all that, I join others in appealing to the Minister and the Government to withdraw these cuts.

5.27 pm

Margaret Greenwood (Wirral West) (Lab) [V]: As host of this year's G7 summit, which takes place later this week, the Government should be leading by example. Instead, they are abandoning their responsibilities to the world's poorest and most vulnerable people. The Government's plan to cut UK aid to developing countries will have devastating consequences.

The Government's decisions will mean a cut of nearly 60% in humanitarian funding to Yemen, in the face of what is considered the world's worst humanitarian crisis; a cut of 40% in aid going to education, resulting in 700,000 fewer girls receiving an education; and a cut of more than 80% in aid for water, sanitation and hygiene projects in developing nations. The Government should be ashamed.

Save the Children has highlighted that

"areas critical for children like basic nutrition, family planning and reproductive healthcare are all set to see substantial cuts".

Several constituents have emailed me in recent days to echo that. They have raised concerns that the cuts will have far-reaching consequences for the world's most marginalised children, especially girls, at a time when they most need our support. In their view and mine, Ministers have turned their back on the world's most vulnerable children.

How can the Government claim that the UK remains a world leader in international development? In cutting aid from 0.7% to 0.5% of gross national income, the UK will drop from the third largest donor in the G7 to third from last, damaging our reputation and credibility on the world stage. The Conservatives' 2019 manifesto stated:

"We will proudly maintain our commitment to spend 0.7 per cent of GNI on development, and do more to help countries receiving aid become self-sufficient."

So much for election promises.

The 0.7% overseas aid target is enshrined in law. Lord Macdonald of River Glaven, a former Director of Public Prosecutions, has made it clear that the Government's decision to cut foreign aid without passing new legislation is "unlawful". The Government have said that

"we will return to our commitment to spend 0.7% of gross national income on development when the fiscal situation allows."

That is to ignore the immense suffering that the cuts will cause right now. One Wirral West resident who wrote to me with her concerns said:

"There is a danger that, once reduced, it will not return to 0.7%. Other excuses will be found."

Numerous charities that work in climate and international development—including Greenpeace, Christian Aid and WaterAid—have said that the cuts will make it harder for countries to respond to climate change, and that they

"will inevitably harm the most vulnerable in society, pushing huge numbers back into poverty".

Ministers should consider the long-lasting damage that their callous, short-sighted and counterproductive cuts to the aid budget will do to the UK's reputation globally. There is significant opposition in this House and right throughout the country to the Government's decision to cut overseas aid. The Government must think again, and they must maintain the commitment to 0.7% for international development.

5.30 pm

Mr Laurence Robertson (Tewkesbury) (Con): I, too, oppose the cut in official development assistance spending from 0.7% to 0.5%. As we have heard, the fact that the percentage is based on the economy means that there is a reduction anyway, so the cut can be described only as what used to be known as a double whammy—a hit on some very poor people in the world.

In preparation for this debate, I asked the Ethiopian embassy to give me some thoughts on what the cut means to Ethiopia, which is the second-largest beneficiary of UK aid. As the chairman of the all-party parliamentary group on Ethiopia and Djibouti, I am very proud of that fact and of what we have achieved in Ethiopia. The embassy told me that we have improved access to education, to primary healthcare and to clean water, and resilience

[Mr Laurence Robertson]

to crises such as famine. There we have it: education, health, clean water and food—things that we in this country take for granted.

As many people are, I am from a very ordinary working-class background, but I never had any problems with food, water, education or healthcare. I was very lucky—we were all very lucky—to be born in this country. We did nothing to deserve to be born in this country, where we have all those privileges. We were extremely lucky: millions of people in the world do not have that good fortune. I want us to continue to provide those benefits to countries such as Ethiopia and to many other countries.

It is important that we retain the 0.7% target, because it is not just about cash or money; it is a totemic policy that was put in place as a guide and an encouragement to countries around the world so that they, too, may meet that target. We cannot do it all on our own; we need other countries to help. We cannot tackle climate change all on our own; we need other countries to help.

I am of course very proud of this country and very proud to be British, but we have to recognise that over the past 200 or 300 years we have enjoyed the fruits of the industrial revolution, which all started where I come from in the north-west of England. We have enjoyed the prosperity that came from that; other countries have not enjoyed that prosperity. If, to tackle climate change, we say to those countries, "You can't do the same as we did"—understandably, because we have a world crisis with climate change—we have to help them to get over it. That is another reason why we should continue with the 0.7% target.

I supported the coalition Government in their attempts to reduce the massive deficit that we had between 2010 and 2015, but nobody in this country will benefit from cutting this £4.5 billion. We have spent upwards of £300 billion on rescuing the economy because of the covid pandemic. That is nobody's fault—we had to do it. Nobody in this country will benefit from our saving £4.5 billion, but many, many people around the world will suffer if we save that £4.5 billion. I cannot support that policy.

Supporting correctly targeted and transparent international development aid was one of the reasons I wanted to come to this place. There would be no shame on the Government if they were to turn round now and accept that they have got it wrong and reverse this policy, and I ask them to do that.

5.34 pm

Ian Paisley (North Antrim) (DUP) [V]: It is a pleasure to speak in this debate and to follow the hon. Member for Tewkesbury (Mr Robertson).

The overseas aid budget is very, very important, so this debate is incredibly welcome, as it will allow Parliament —not Government—to have its say about the importance of this issue. Unfortunately, the Government's stance has managed to offend every single church group and charity group that I know of in my constituency. They are appalled by the fact that the Government have sought to undermine the aid budget in this way and to break a solemn promise that they made to the electorate. In fact, it is a promise that they appear to have made on behalf of the whole House, not just their own party.

UK charities have been impacted on unfairly by this decision. The Government need to look at that particular. When charities go out there, make their stand, lobby, and say that they are going to achieve things, their credibility goes on the line. In this case, it has been snatched away from them, not by something that they have done but by something that the Government have done.

I am sure that the Government did not think that, tonight, they would be able to unite the Labour party, members of their own party, the SNP, the Democratic Unionist party and the Liberal Democrats, but they have succeeded in doing so, ensuring that the opposition to what they are planning to do with the aid budget is voiced.

Her Majesty's Government are breaking their promise made not just on behalf of themselves, but on behalf of everyone in the UK. People voted at the last election with an expectation that this would be done. All the parties were committed to this. It became the law, and now that promise will be breached by the Government. In doing that, they damage the reputation of this Parliament, and they damage the reputation of all parties here. This is a solemn breach, and they must mend it.

The overseas aid budget is our soft diplomacy around the world. We have heard many speak about that and about how other countries engage in much harsher and harder diplomacy—currency-led diplomacy. This is a soft diplomacy that shows that we care, that we are a passionate people. Removing and reducing it says more about who we are as a nation than it does about anyone else. I implore the Government to reconsider this matter urgently.

The Government have set out all their excuses from the Front Bench, but none of them add up economically, morally, or politically. I therefore say to them that they need to revisit this and revisit it fast. If they try to repair the damage, it will just cost them more money. They should just reverse the decision and put it right—just fix it. This is something that we as a nation can afford and that we want to pay for. This is taxpayers' money and the taxpayers say that they want this to be done. We recognise that the UK economy is in a better place than we had expected, and so it can afford this. Let us keep our word as a Parliament. Let us keep our word as a nation. I implore the Government to keep their word and to deliver on their promise.

5.39 pm

Matt Western (Warwick and Leamington) (Lab): This should not be about political advantage. It is about hundreds of millions of people around the globe whose lives, already fragile existences, are made more vulnerable now by the political calculations, as we have heard, of the Prime Minister and the Chancellor. That is their decision. It is a choice for them to claim that this nation is now free to forge its own future, but they are demeaning our international stature by this decision—a reputation reduced at a stroke, as is so often the case under this Government.

This comes at a time when the world would ordinarily be hoping for greater leadership, as we host the G7 as well as COP26 later this year. As we have heard, we are the only G7 country to cut its ODA budget, while others, such as the US, Germany and France, are increasing theirs. I am afraid that cutting the ODA budget at a time when less developed nations are the most vulnerable globally to the pandemic will be seen as one of the most callous choices made by a Chancellor in our lifetime.

It is telling that so many across this House concur with former Prime Ministers of all hues. As we have heard, we are talking about a humanitarian aid cut of 70%. That includes funding to Yemen, considered the world's worst humanitarian crisis, cut by 60%; life-saving water sanitation and hygiene projects in developing nations cut by 80%; aid going to education cut by 40%, which will result in 700,000 fewer girls receiving education according Save the Children's analysis; and funding for the global polio eradication initiative cut by 95%. On the micro scale, the small British charity Dhaka Ahsania Mission UK has had its FCDO grant for work in northern Bangladesh cut by 100%. That programme was to bring basic education to some of the poorest and hardest-to-reach rural children in Bangladesh, whose families live and work on some of the most marginal land within the flood areas of the north of the country.

The Government's drastic cut to overseas aid also risk damaging the world's ability to fight the next global health disaster, which in turn, in self-interest, would keep Britain safe. In an open letter, 3,000 UK academics and global health experts highlighted how critical our interdependencies are across our world. The health risks and vulnerabilities are shared globally, and so should be the solutions if we are to address the emerging health threats. Just over 2% of Africans have been vaccinated, whereas more than 75% of all vaccines have been administered in just 10 countries.

The decision to cut official development assistance funding means that UK Research and Innovation needs to find savings of £120 million in allocated funds in 2021-22, hitting more than 800 Global Challenges Research Fund projects—for example, Warwick Medical School's work in Africa on digital health and the introduction of remote consulting. In response to the pandemic, clinics have been contacting patients by phone, rather than offering in-person visits, for the first time in the continent. There is also the example of Newcastle University—perhaps the hardest-hit of all—which is doing leading work on water security and resilience to climate change, and on river deltas, flooding and rainwater. It is working with 90 partners in 20 countries, helping them and stemming migration.

Those projects have shown Britain at its best. They have shown it as reasonable and reliable—but no longer, due to the cuts. We are happy to see an aircraft carrier travel around the world, but at the same time cut projects to the most deserving. Perhaps the most depressing thing was hearing from the right hon. Member for Haltemprice and Howden (Mr Davis), who said that this is something of a political gambit to win votes.

5.42 pm

Dr Philippa Whitford (Central Ayrshire) (SNP) [V]: The Prime Minister has declared his aim to secure an agreement of the G7 to vaccinate the world against covid by the end of next year, but it is hard to see how he will have the brass neck to push such a proposal when the UK will be the only one in the room cutting overseas aid. The overall budget is being cut by a third, but covid funding masks the drastic cuts to core projects, including on the health and education of women and girls, which the Government claimed was a key policy, as well as those delivering humanitarian aid and addressing HIV/AIDS, conflict zones, famine relief, refugees and child education. It is hard to believe that the Government think it is remotely reasonable to slash funding for water and sanitation in the middle of a pandemic.

Even if funding is restored in a couple of years, the staff, researchers, experience, knowledge, networks and infrastructure of many of those projects will have been lost. The Chancellor has justified the cuts by highlighting the cost of the pandemic, but what does he think it has been like for low-income countries that were struggling even before they were hit by covid?

The UK is also hosting COP26, but any promises by the Minister responsible, the COP26 President, the right hon. Member for Reading West (Alok Sharma), will have little credibility, because when he was International Development Minister he made commitments that the UK has now abandoned. In 2019, he promised more than £100 million a year for the global polio eradication initiative, only for the funding now to be cut by an eye-watering 95%. The World Health Organisation has estimated that 80 million children are at risk from infectious diseases such as diphtheria, polio and measles owing to the disruption of immunisation caused by the covid pandemic, so vaccination projects should not face cuts. They need extra support to fund the necessary catch-up programmes. We must not allow the re-emergence of polio and other infectious diseases to take a toll on the children of low-income countries.

Covid is a global crisis and it calls for a global response. So far, the international community has struggled to live up to its warm words of last spring, but the UK is alone in cutting aid at such a critical time. Low-income countries have received less than 0.5% of all covid vaccines delivered so far, and the UK is one of those blocking the sharing of intellectual property and technology. This will prolong the pandemic for all of us and delay the economic recovery of low-income countries, and the UK Government must not compound the problem by removing support from some of the most vulnerable in the world. I support the call to restore overseas funding, and I do not believe that it can wait until next year. The covid crisis is now.

5.46 pm

Alexander Stafford (Rother Valley) (Con): I rise today to make a simple yet resounding contribution to the debate on behalf of the people of Rother Valley, who wholeheartedly support the Government's decision temporarily to reduce foreign aid from 0.7% to 0.5% of our GNI. The coronavirus pandemic has resulted in the most severe economic situation in 300 years, and residents across my constituency are experiencing great hardship, from losing their jobs to struggling with their mental health. My position is clear. I was elected to look after the people of Rother Valley first and foremost, and I shall do exactly that.

I cannot support proposals to allocate 0.7% of our GNI to foreign aid when there is deep-rooted poverty in my own constituency. Across Rother Valley, the claimant rate is about 5.5% and youth unemployment stands at about 10%. This has massively increased because of the coronavirus pandemic, and it is far too high. For example, in Maltby a staggering 8% of all the residents are unemployed. In fact, Maltby in Rother Valley is one of the most deprived wards in the country, and this situation is mirrored in other pockets throughout Rother Valley,

[Alexander Stafford]

such as Swallownest and Dinnington. That is where our aid money should be going. That is where the support should be going during this national emergency. It should go towards helping to level up Rother Valley for the British people.

But more importantly for this debate is the fact that we are not donating our own money. We are not donating taxpayers' money for foreign aid, although that in itself would warrant examination; instead, we are sending abroad money that the Government and the state are borrowing. That's right: we are borrowing money when we can least afford it so that we can send it abroad to foreign powers. How ridiculous that sounds! We are in debt, and getting further in debt because of the coronavirus pandemic, yet we are borrowing more money so that we can send it abroad. This is not our money; we are borrowing this money, and we are getting our own country into more and more debt. Surely we cannot afford to do that at this point.

On top of that, we should be careful about where some of this money is going. We are sending vast sums to dictatorships, to countries with space programmes and nuclear programmes, and to nations that have been receiving aid for decades with little change or positive results. It is a disgrace that we are sending aid to the People's Republic of China—a hostile state with advanced military and industrial programmes led by a communist regime that threatens the rules-based world order and British interests across the globe—while we still have homeless veterans sleeping on our streets. That is not acceptable.

Mr Mitchell: My hon. Friend mentions China, and that is a very good point because we should not be spending any aid in China. It was cancelled on my first day in office 10 years ago, unless it was legally required, and I am afraid that, in my view, the aid is being spent wrongly by the Foreign Office.

Alexander Stafford: I thank my right hon. Friend for that clarification, but owing to the time I will move forward and end my speech shortly.

Of course we should donate money to the most vulnerable, and my right hon. Friend the Minister has mentioned those who most need it. We should never forget that the UK is the third largest donor in the G7, donating more than £10 billion this year alone, and that we have led the world in providing vaccines to poorer countries, but what seems to have been lost in the noise is that the Government have committed to returning the aid budget to 0.7% of GNI when fiscal circumstances allow. There is no doubt that this will be the case. In fact, the Conservatives are the only party to have ensured that we have met the 0.7% target—Labour has consistently missed it. That sums up the difference between the Conservatives and Labour: we are honest with people about the difficult choices that protect the British people. We are not flip-flopping; we are trying to make difficult choices at a difficult time, in this difficult situation.

5.50 pm

Brendan O'Hara (Argyll and Bute) (SNP): The decision by this Government to take essential, life-saving money from the world's poorest people is absolutely shameful and it has confirmed, once and for all, that the idea of "global Britain" has already lost its moral compass. For this idea to have been confirmed at April's integrated security review simply beggars belief; the idea that by making the world's poorest people even poorer we somehow make ourselves safer is absolute nonsense and it takes gaslighting to new extremes.

Do the Government really expect us to believe that the best way to make the people of the UK more safe and secure is to slash vital humanitarian aid to parts of the world that are already ravaged by conflict, war and famine, and thereby to force tens of millions of people to uproot their families and go in search of a better, more secure future? It was breathtaking insensitivity, adding insult to injury, that that same Integrated Review announced that money that could and should have gone to help underprivileged and poor people across the world will instead be spent on increasing the UK's stockpile of nuclear weapons—it is utterly abhorrent. This country has a historical moral obligation to those countries that are now in the developing world. We have to help them because we are responsible for where they are now. For more than a century the UK grew rich and powerful on the backs of the poor. The countries we invaded, conquered, divided and plundered need our help now and we cannot cut it off like this—it is abhorrent.

Madam Deputy Speaker (Dame Rosie Winterton): I call Bob Seely, who has 90 seconds.

5.52 pm

Bob Seely (Isle of Wight) (Con): I shall try to sum up, Madam Deputy Speaker, by thanking my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) and my hon. Friend the Member for Totnes (Anthony Mangnall) for the debate, and by suggesting a compromise.

I am happy to sign up to 0.7%, but I think we need to work to change the definition, because the one we use is a technical, official one, and we can do better. I suggest broadening the definition of "aid", so that it includes peacekeeping operations, and the BBC World Service and TV. If I were the Government, I would seek a compromise here to say that we will get back to the 0.7%, but let us work on a longer-term definition that broadens the definition of "aid" from purely economic development—that is what the current OECD Development Assistance Committee ODA definition is—to one that encompasses peacekeeping at the beginning of the developmental process and goes all the way up to the BBC World Service and radio and the support of civilisational values at the other end. That is a longer-term solution, rather than the stale and dry argument between "0.7% good, not 0.7% bad".

5.53 pm

Mr Mitchell: Madam Deputy Speaker, I thank you and Mr Speaker for granting this Standing Order No. 24 debate today. I urge the Minister here today, the Chief Secretary to the Treasury, to hear the voice of the House. He is a decent and understanding fellow, and I hope he will reflect on what he has heard this afternoon. I believe that only four of the very many people who have spoken supported the Government's cuts, and I very much hope he will reflect on the innate decency of the British people in what he has heard from Members from all parts of the House this afternoon. The House is not with the Government on this and they should hear that. They should also hear the voices of their loyal Friends on these Benches; we want the Government to get it right. We are genuinely hugely concerned. We know that the cuts will lead inevitably to hundreds of thousands of avoidable deaths, and we are worried about the trashing of our international reputation. These concerns are shared across the House, by the Government's friends, as well as by the people who are not warm towards this Government. I urge the Chief Secretary to consider what he has heard this afternoon and to reflect upon it in the discussions that he is having in the Treasury.

I note that my colleagues and I were referred to in a normally very wise national newspaper as the sort of people who, "Attend left-wing dinner parties in north London." I confess that when I am London and not in my constituency of the royal town of Sutton Coldfield, I do live in Islington, but I should make it clear that most of my hon. Friends who have joined me today would not be seen dead at a left-wing dinner party, let alone one in north London.

I am extremely grateful to you, Madam Deputy Speaker, for chairing the debate and giving the House the chance to consider these matters, influence the thinking of the Treasury and its Chief Secretary, and try to ensure that we get this right.

5.55 pm

Three hours having elapsed since the start of proceedings, the motion lapsed (Standing Order No. 24).

Anthony Mangnall: On a point of order, Madam Deputy Speaker. Yesterday, Mr Speaker said that the Government should come forward with a vote in this House; he was pretty insistent on it, in fact. Today, I see that the press officer of No. 10 has suggested that there will be no vote on the 0.7% because the Government feel that they do not have to have one. Could you provide some guidance on whether that is in keeping with what Mr Speaker said?

Madam Deputy Speaker (Dame Rosie Winterton): I thank the hon. Gentleman for that point of order, but I am afraid it is rather a continuation of the debate that we have had. I do not think there is much else to add to what Mr Speaker said yesterday, but I am sure that Members on the Treasury Bench will have heard the hon. Gentleman's views.

5.56 pm

Sitting suspended.

Compensation (London Capital & Finance plc and Fraud Compensation Fund) Bill

Second Reading

Madam Deputy Speaker (Dame Rosie Winterton): Before I ask the Minister to move Second Reading, I will introduce a three-minute time limit on Back-Bench speeches. As colleagues will know, this is a very short debate, but I will try to get in as many Members as I can.

5.59 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): I beg to move, That the Bill be read a Second time.

In the United Kingdom there are a wide range of opportunities for people to invest. The Government's role is to try to ensure that the system of regulation and financial investment is suitably robust, so that individuals are treated fairly and have confidence in the financial system in which they invest. Unfortunately, no system of regulation can completely eradicate the risk that firms fail, or that there are bad actors intent on committing fraud. This short Bill is aimed at two areas where it is necessary for the Government to step in.

Clause 1 relates to a new Government scheme to compensate London Capital & Finance bond holders who lost money after the firm entered administration in 2019. Clause 2 will arrange a loan to the board of the pension protection fund to pay compensation to occupational pension scheme members who have been victims of pension fraud, following the recent High Court judgment in the case of PPF *v.* Dalriada. I will now expand briefly on those measures in detail.

Gareth Thomas (Harrow West) (Lab/Co-op): The Minister will understand that part of the reason why we are here today is because of Dame Elizabeth Gloster's excoriating report into the capacity of the Financial Conduct Authority. Is he certain that the FCA now has the powers and, crucially, the capacity it needs to ensure that consumers of financial services businesses are properly protected?

Guy Opperman: Yes, I believe that is the case. The Treasury and the FCA are working together. The FCA is under new management, as the hon. Gentleman will be aware, and there is an acceptance by the FCA of all the findings in Dame Elizabeth Gloster's report. More particularly there is fresh thinking, one hopes, that will be applied going forward.

Kevin Hollinrake (Thirsk and Malton) (Con): Will the Minister give way on that point?

Guy Opperman: For the last time, and very briefly.

Kevin Hollinrake: Powers are one thing, willingness is another. The FCA has shown a remarkable reluctance to hold people to account for incompetence or bad actors, as the Minister said. Will not those failings simply continue unless the FCA starts identifying individuals, within its own ranks or within the banks, for those failings, and holds them to account?

Guy Opperman: Clearly, it is not possible to comment on specific future events, but Ministers are liable for the actions of civil servants, through vicarious liability, and we would expect regulators to take a similar approach and, putting it simply, to own the problems they are trying to solve. If that is a lesson learned from this sorry saga, in my humble opinion that would be a good thing. Clearly, it is for the FCA to take a good long, hard, look at itself, and other regulatory bodies, and decide how it will run itself going forward, with suitable input from Government.

Neale Hanvey (Kirkcaldy and Cowdenbeath) (Alba): Will the Minister give way?

Guy Opperman: I will not give way any more. I apologise, but we are trying to do this whole debate in 58 minutes. Please bear with me.

As the House will be aware, on 19 April the Economic Secretary to the Treasury provided a written ministerial statement on the Government's approach to setting up a compensation scheme for London Capital & Finance bond holders who lost money following the firm's collapse in 2019. LCF was an FCA authorised firm, which sold unregulated non-transferrable debt securities, commonly known as mini-bonds, to investors. Sadly, 11,600 bond holders lost around £237 million when LCF went into administration. For some investors that will have formed part of an investment portfolio, but for others it will have represented a significant proportion of their savings.

Following LCF's collapse, the Economic Secretary to the Treasury directed the FCA to launch an independent investigation into its regulation and supervision of LCF. As we have discussed, Dame Elizabeth Gloster led the investigation and concluded that the FCA did not effectively supervise and regulate LCF. The LCF business model was, it is accepted, highly unusual in both its scale and structure. In particular, the firm was authorised by the FCA, despite generating no income from regulated activities. That allowed LCF's unregulated activity of selling non-transferrable debt securities, known as mini-bonds, to benefit from the impact of being issued by an authorised firm. While other mini-bond firms have failed, LCF is the only mini-bond firm that was authorised by the FCA and sold bonds in order to on-lend to other companies.

In response to the regulatory failings detailed in Dame Elizabeth's report and the range of interconnected factors that led to losses for bondholders, the Government announced two things: first, they would establish a compensation scheme, and secondly, they would accept all of Dame Elizabeth's report, as did the FCA. It is, however, important to emphasise that the circumstances surrounding LCF are unique and exceptional, and the Government cannot and should not be expected to stand behind every failed investment firm. That would, with respect, create the wrong incentives for individuals and an unacceptable burden on the taxpayer.

Clause 1 of the Bill, which is the LCF measure, covers two key elements. First, it provides parliamentary authority for the Treasury to incur expenditure in relation to the scheme. Secondly, it makes a minor technical change that disapplies the FCA's rule-making processes for the purpose of the LCF compensation scheme. The Treasury intends to use part 15A of the Financial Services and Markets Act 2000 to require the Financial Services Compensation Scheme to administer the scheme at speed on the Treasury's behalf. The scheme will be available to all LCF bondholders who have not already received compensation from the FSCS and represents 80% of the compensation that they would have received had they been eligible for FSCS protection.

Around 97% of LCF bondholders invested less than £85,000 and will not reach the compensation cap under either the Government's scheme or the FSCS. The Government expect to pay out around £120 million in compensation to around 8,800 bondholders in total and are committed to ensuring that the scheme has made all payments within six months of this Bill securing Royal Assent.

As colleagues will be aware, this is a two-measure Bill, the second clause of which concerns the Department for Work and Pensions and involves loans to the board of the Pension Protection Fund. Clause 2 amends the Pensions Act 2004 by inserting a new section that will give the Secretary of State a power to lend money to the board of the Pension Protection Fund.

The Pension Protection Fund manages the Fraud Compensation Fund, which pays compensation to occupational pension schemes that have lost out financially due to dishonesty. When set up in 2004 by the Blair Government, the PPF and the FCF did not envisage that pension liberation schemes were in scope for FCF payments. This clause will allow compensation to an estimated 8,806 individuals who have been defrauded following the pronouncement of the recent Court judgment in the Dalriada case.

Pension liberation fraud involves members being persuaded to transfer their pension savings from legitimate schemes to fraudulent schemes, with promises of high investment returns or access to a loan from their pension scheme before the age of 55 without incurring a tax charge. The Pensions Regulator has now placed professional pensions trustees in charge of the affected schemes. Those trustees are seeking compensation on behalf of scheme members through the Fraud Compensation Fund.

Following receipt of a significant number of applications, the Pension Protection Fund sought guidance from the High Court in a test case on which schemes should be eligible for the Fraud Compensation Fund. The Court judgment in the case of the Pension Protection Fund *vs.* Dalriada was pronounced on 6 November 2020, and the High Court concluded that such pension liberation schemes would be eligible, subject to meeting eligibility criteria. The Government have decided to fully accept the Court's judgment on this and are committed to ensuring that all those who have been victims of pension liberation schemes are able to claim through the Fraud Compensation Fund. However, it is estimated that claims will exceed £350 million, which is far greater than the £26.2 million of assets currently held in the Fraud Compensation Fund, hence the requirement for clause 2 of the Bill and the action that the DWP and the Government are taking.

This is a necessary, urgent and important Bill which will ensure financial protection and fair outcomes for those falling victim in these particular circumstances. My hope and expectation is that the Bill will receive widespread support, and I commend its contents to the House.

6.9 pm

Mr Pat McFadden (Wolverhampton South East) (Lab): I am grateful to the Minister. As he said, the Bill does two things: it enables a Government compensation scheme for the victims of the collapse of London Capital and Finance, and it authorises a Government loan to the Fraud Compensation Fund—part of the Pension Protection Fund—to be paid for through a levy on the pensions industry. Let me take each of those of turn.

I will start with clause 1 on the LCF compensation scheme. The Minister set out the background and I do not need to repeat it in this short debate, but it involves 11,500 investors losing a total of about £237 million. Some £56 million has been paid out by the Financial Services Compensation Scheme to just under 3,000 of those investors, covering those parts of LCF activity that came under the remit of the Financial Conduct Authority's regulated activities. The Bill aims to compensate the rest up to 80% of the £85,000 FSCS limit, meaning pay-outs of up to £68,000 for those eligible. This is expected to cost the taxpayer about £120 million.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Talking about the cost to the taxpayer, I wonder if my right hon. Friend continues to be shocked by the fact that a Member of this House, the hon. Member for Plymouth, Moor View (Johnny Mercer), received over £85,000 from subsidiaries that were mis-selling, like a company in my constituency that defrauded my constituents. That money has never been paid back, but that Member received money from the taxpayer, and actually we should be looking at ourselves—

Madam Deputy Speaker (Dame Rosie Winterton): Order.

Mr McFadden: I am grateful to my hon. Friend, and I do think it ill behoves any Member, given the scale of the losses and given the necessity of the Government to bring in this Bill to compensate people for their losses, to profit from this either directly or indirectly. I think that should be clear to all of us.

The Government are legislating on this because of the litany of regulatory failures set out in the report on this issue carried out by Dame Elizabeth Gloster. These failures included failures to respond to repeated warnings from investors and potential investors, LCF repeatedly running promotions implying its products were regulated by the FCA, and failures of communication between different parts of the FCA, all in the end leading to this collapse and financial loss. Had the FCA acted earlier, far fewer people would have invested through this firm, losses would have been lower and the taxpayer would not be faced with the £120 million we are talking about today.

Neale Hanvey: Will the right hon. Gentleman give way?

Mr McFadden: I will give way once more.

Neale Hanvey: I would like to ask the right hon. Gentleman's view about a couple in my Kirkcaldy and Cowdenbeath constituency who invested £10,000 each—or £20,000 in total—and did so because the FCA backed the scheme. They feel that the real responsibility lies with FCA and the derogation of its responsibility in ignoring warning signs, while many responsible lenders such as them have lost money they can ill afford to lose. Does he not find it, as I do, a bit rich for the Minister now to say that the Government cannot back every scheme when actually the regulator was at fault in encouraging other people, as he has just said, to invest in that scheme?

Mr McFadden: Many investors did invest because they thought that these mini-bonds were authorised by the FCA, and they were not. A big part of the problem here is having a regulated firm marketing unregulated products. If I am right, the hon. Member's constituents may be eligible for the compensation authorised by the Bill.

Dame Elizabeth's report makes it clear how badly the investors were let down by the regulator, and both the Government and the FCA have said that they accept the findings. I have a number of questions that I want to put to the Minister for his wind-up at the end of the debate. First, why is the level of compensation he has chosen 80% of the FSCS level? On what basis was that decision made? Secondly, how will this work practically? I understand that the Government want to avoid the involvement of claims management companies, and that is something I think we would all endorse. How will the Government do that and avoid repeated rounds of claims?

The Bill also gives rise to some important broader questions about policy. The failings identified were serious and substantial, and have to be addressed. The first of those broader questions is: when should compensation paid for by the taxpayer be paid and when not? The Minister quite rightly said that the taxpayer cannot stand behind every investment policy. It would be unfair on taxpayers to expect them to do so, and it would produce perverse incentives. After all, we all know that the value of investments can go down as well as up.

In the case of LCF, it was bonds that were being sold, and the advertising implied a guaranteed pay-out when such pay-outs could not, in practice, be guaranteed. Regulation is not aimed at enabling people to make reasonably informed choices and to understand the risks they are taking. Having made the decision to offer taxpayer-funded compensation in this case, when does the Minister believe it justifiable that the taxpayer should be asked to do that, and when does he not? What was the discussion in the Treasury about how to ring-fence this failure and this company from broader claims for financial compensation? There are calls for compensation quite regularly when investment failures happen. How confident is the Minister that the Treasury will not be subject to legal action from victims of other investment failings?

How confident is the Minister that the FCA can actually make the changes necessary to avoid a repeat of the findings set out in Dame Elizabeth's report? Callers were phoning the FCA for three years before the company's collapse. Appendix 6 of Dame Elizabeth's report states that the FCA received 611 queries from consumers regarding LCF. That is not a random phone call at five o'clock on a Friday that can be missed; it is a pattern of people trying repeatedly to raise red flags and getting nowhere

Individual A said on 15 July 2016:

> "This company is doing exactly what the pyramid scams are doing. What they're doing is they're paying the money out, the interest out from money which people are paying on the bond… In other words, it's just a pyramid scam… they're saying they've got charges on their property, security on them, assets on their property, of course they don't have any assets. It's all horrendous really, the whole thing".

There was call after call like that, and they were not acted on. They were not passed up the line, partly because the mini bonds were not regulated. In fact, one caller was told by the FCA call handler that it was not a scam.

[Mr McFadden]

There was also the letter from individual financial adviser Neil Liversidge in 2015, three full years before the collapse of the company. He warned that LCF had one customer who was worth—bear with me on the language, Madam Deputy Speaker; I am quoting—

"the square root of bugger all"

and he tried to raise warnings about the practices and health of the company. It appears that that letter was lost.

One of the more damning findings in Dame Elizabeth's report is that, even if the letter had not been lost,

"It is unlikely that it would have resulted in any, or any substantive, action or re-action by the FCA."

So little faith did she have in the processes that she appears to have argued that it did not matter that that warning letter had been lost because it would not have been acted on. Imagine if the FCA had acted, in 2015 or 2016, when those reports were received, rather than only at the end of 2018. Another question for the Minister is this: what will the FCA do to improve its handling of reports like this?

Then, there is the so-called halo effect of regulated companies selling unregulated products. Being regulated by the FCA featured heavily in LCF promotions. The financial promotions team at the FCA did warn LCF to dial back on the advertising, but the pattern went on and on, and no one drew the conclusion that this was not just an advertising problem, but a problem with the content of what it was actually selling. Dame Elizabeth states in her report:

"A substantial proportion of the Bondholders said that they would not have invested in LCF had it not been for the fact that it was regulated by the FCA."

How will the FCA avoid the difference between unregulated activity and regulated companies from being exploited in the future?

The Gloster report was also the subject of a well-publicised disagreement between Andrew Bailey, the Governor of the Bank of England, and Dame Elizabeth, about the nature of responsibility and accountability. Where do the Government stand on this issue? It was all played out before the Treasury Committee in several hearings. Is it the Treasury's view that senior officials in leading regulatory bodies are responsible for the failing that happen on their watch, or should responsibility apply only to the organisation collectively?

Does the Minister agree with the statement in the report that

"It is difficult to see why an individuals' willingness to take on challenging tasks in public bodies should absolve them from accountability"?

Or does the Treasury accept the statement from the Parliamentary Commission on Banking Standards quoted in the report that

"A buck that does not stop with an individual...stops nowhere"?

These broader questions matter, because with ever more complex financial markets, the regulators have to be equipped to do the job—equipped through their leadership and their systems, but also through the resources at their disposal. Part of the backdrop to this is the FCA taking on responsibility for tens of thousands more firms after it took on the responsibilities of the Office of Fair Trading back in 2014. Is the Minister confident that it has the resources after the LCF collapse?

Let me turn to clause 2 and the fraud compensation fund. The Bill authorises a loan to be made as a consequence of greater than expected claims on that fund arising from the Dalriada case. It is estimated that the judgment in that case could result in claims of over £300 million. The loan will be funded by a levy on the pensions industry, to be paid back over the next 10 to 15 years. That comes on top of the levy to pay for the Financial Services Compensation Scheme rising sharply since the introduction of the Government's pension freedom legislation in 2015. Back then, the levy was £300 million; this year, it will be over £1 billion pounds. That is a 48% increase on the previous year and more than triple the level of five years ago. Why does the Minister think the FSCS levy has had to increase so much since the pension freedoms legislation was introduced in 2015? Now we have a new fraud levy to boot.

Surely the right way to tackle this issue is to ask why more and more pensioners are being exposed to fraud and scams in the first place. Why does the Minister think that is happening? Why are more pensioners losing their money? When the previous Chancellor introduced the pension freedoms changes, he said that

"there will be free impartial guidance available to all."

Six years on, the take-up of that advice is just 3%. Even when the Department for Work and Pensions made a targeted push to increase it, it only got up to 11%, so the vast majority of people using these freedoms are not using that service. Of the small number who take up the option, 72% say they do something different from their first inclination after receiving advice, so it is clear that such advice can help people to make a better decision, yet take-up is nowhere near the promise made at the time.

The promise of pension freedoms being matched with good, trustworthy financial advice has not been kept, and these levies, which will have to be paid by the pension schemes that have been nowhere near fraud and are trying to offer a good service to their members, are being put in place at least in part as a result of the Government's own pension reforms, which have left more pensioners exposed to fraud and scams. That conclusion was endorsed by the Work and Pensions Committee in its recent report.

What unites both these clauses is people being subject to fraud, often through online advertising. There is a clear need for greater action on this. People are being bombarded on a daily basis with adverts for investments, some of which are scams and attempts at fraud. Financial innovation can be a great thing, but consumers need help in navigating this world, and they are currently being failed by a regulatory system that is lagging behind what is actually happening in the financial markets. There is an online harms Bill coming that, as things stand, does not include plans to crack down on financial crime. I urge the Government to think again on that. To proceed with that Bill without tackling online financial harm would be an enormous lost opportunity to protect consumers against this type of crime.

The answer is not just compensation when people lose money; it is to protect people against financial scams happening before they lose their money, to crack down on the fraudsters while they are peddling their scams and to stop these adverts reaching people in the first place. Not all thieves wear masks. It is possible to rob people of their money through misleading websites and illusory promises of financial gain. It is critical that the laws that we pass in this place keep pace with the innovations in fraud and financial crime that are taking place. For that to happen, it will take a lot more than the two clauses on compensation in this Bill.

Madam Deputy Speaker (Dame Rosie Winterton): We now go to the Chair of the Treasury Committee, who has four minutes.

6.24 pm

Mel Stride (Central Devon) (Con) [V]: This is a very important Bill. It seeks to compensate for some significant wrongs. As part of our ongoing inquiry into London Capital & Finance and the FCA's response to it, the Treasury Committee has heard many harrowing stories of those who, in many cases, lost life-changing amounts of money as a consequence of what happened.

The Treasury Committee has been involved in the LCF situation for some time. My predecessor, Baroness Morgan, initiated the inquiry by Dame Elizabeth Gloster through approaches by the Committee to the Treasury and the FCA. I take this opportunity to offer my thanks, on behalf of the Committee and of the LCF bond holders, for the very thorough report that she and her team produced, for the witness session she attended as part of our inquiry and for the courtesy and information that she provided to me outside that witness session by way of correspondence and discussions over the telephone.

Dame Elizabeth Gloster carried out some excellent work. As a consequence of her report, the level of the failings on the part of the FCA is very clear. Indeed, the answers to the key questions put by the Government to Dame Elizabeth as part of the directions for her inquiry were clear: the permissions granted to LCF were not appropriate to the business it carried on; the FCA did not adequately supervise LCF's compliance with the FCA rules and policies; and the FCA's handling of information from third parties regarding LCF was wholly deficient. The FCA had appropriate rules to regulate the communication of financial promotions by LCF. However, the FCA did not have in place appropriate policies. Numerous red flags were examined by the Committee, but they had been missed over a long period.

There were wider failings within the regulatory system, and we have heard some of those from the shadow Minister, the right hon. Member for Wolverhampton South East (Mr McFadden). The FCA's approach to the perimeter was limited. It did not take a holistic view of the perimeter and therefore there was inadequate supervision of unregulated activities. The halo effect, which the shadow Minister also raised, was without doubt a wider systemic problem within the FCA.

Our inquiry is ongoing. We have taken evidence from Dame Elizabeth, from senior personnel at the FCA, including Andrew Bailey, who was the chief executive officer of the FCA during the appropriate period, and my hon. Friend the Economic Secretary to the Treasury. We will have much to say in our report, which will be published no later than the end of this month.

Looking ahead, the speakers so far have rightly asked how we make sure that this does not happen again. That lies within the transformation programme that the FCA is now undertaking. The Committee will be showing a close and careful interest in the progress of that transformation programme.

By way of intervention, I note the observation of my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) about the importance of those responsible for shortcomings being held accountable. We will no doubt have something to say about that in the report.

The whole issue of compensation leads on to the issue of the general view that there should be personal responsibility for investments, as well as Government backing, and we will need to look at that. I am terribly short of time, so I will leave it there. I welcome the Bill.

Madam Deputy Speaker (Dame Rosie Winterton): We now go to the SNP spokesperson, Peter Grant, who I am sure will be acutely aware of the very limited amount of time that we have left for the debate.

6.28 pm

Peter Grant (Glenrothes) (SNP) [V]: I am pleased to be able to speak in this short debate and to confirm that the SNP will not oppose Second Reading, but I am angry and frustrated that the debate needs to take place at all. Most parts of the legislation are only necessary because of a catalogue of failures of Government, of legislation and of regulators.

I will speak first about the second of the two parts, on the Pension Protection Fund. One of the first times I spoke in Parliament, just a few days after my maiden speech, I expressed concerns about pension liberation scams. I asked the then Secretary of State what steps the Government were taking to protect people from them, to make sure changing the rules would not just make open season for the scammers. We now know that the answer to that question is that the Government were doing nothing, or if they were doing anything, they did not do nearly enough. Some £350 million has been stolen from people's pensions using these scams. Those pensioners should be compensated from the Pension Protection Fund, and I would support a provision in clause 2 to allow that to happen.

Clause 1 sets up the promised compensation scheme for victims of the London Capital & Finance scandal. About 11,000 people were affected, of whom 2,000 got some compensation and 9,000 got nothing. I do not think any of the 11,000 understand why some qualified for compensation and some did not. It is very welcome that the Bill will provide some redress for the 9,000 or so bondholders who would have otherwise got nothing. It is welcome, but it is not enough.

The House of Commons Library has described the Government's decision to set up the compensation scheme as "a somewhat exceptional response." The response is exceptional, but the scandal to which it responds is anything but. It is the latest, and sadly almost certainly not the last, in a roll of shame that includes Equitable Life, Premier FX, Connaught, Henley pensions, Blackmore Bond and many others. The victims of some of these schemes get compensation, but tens of thousands get nothing.

Blackmore Bond, for example, went into administration in May 2020 and its bondholders are unlikely to see any of the £46 million investment that the company's directors had promised them was safe and guaranteed. One of my constituents lost his £40,000 life savings to Blackmore Bond. I have to disagree with the Minister's claim that LCF was unique or even distinctive in any material way from Blackmore Bond and various other mini-bond

[Peter Grant]

failures. LCF hid behind its own FCA registration knowing that it had nothing to do with the products it was selling. Blackmore Bond hid behind the FCA registration of other companies that acted as its representatives. The intention in all cases was clear: to mislead investors as to the degree of protection that the Financial Conduct Authority would give them, when in most cases the companies knew that the FCA would give no protection whatever.

Like LCF, Blackmore Bond could have been stopped much sooner if the Financial Conduct Authority had acted on the warnings it was receiving as long ago as early 2017. One came from an eyewitness who offered to let the FCA into his office to watch and listen at first hand to the "unlawful" telephone sales practices that the company's representatives, Amyma Ltd, were using—his words, not mine. It took two and a half years for the FCA to remove Amyma's right to act as authorised representatives. Several months later, again as part of its response to the collapse of LCF, the FCA banned the sale of mini-bonds to small retail investors. Some £26 million of the total investor losses in Blackmore Bond were from bonds sold after March 2017—after the Financial Conduct Authority had enough information to take decisive action, but before it had taken the action that was needed.

I want to see legislation, or possibly even an amendment to this Bill, that makes schemes similar to the LCF compensation scheme available to victims of other pension and investment scams without them having to wait for a public inquiry and a new Act of Parliament for every single one. I want to see the Government getting serious about dealing with the shysters and charlatans who too often seem to walk away unscathed from these scandals, or more likely get driven away in their chauffeur-driven luxury cars, leaving their victims in many cases almost destitute. I want to see a regulatory regime that works, not just to compensate the victims at public expense, but to stop the crooks and chancers from being able to con people out of their money in the first place.

The fact that the Minister admitted in his opening speech that paying compensation to all victims of pension or investment scams would place an unacceptable burden on the public finances is one of the biggest admissions of regulatory failure by any Government Minister that I can ever remember. While we welcome the steps taken in the Bill, the message very clearly from the Scottish National party, as it was from the Labour Front-Bench spokesman a few minutes ago, is that this is not even enough to be the start of the action needed to make people's pensions and investments safe from the crooks.

6.34 pm

James Grundy (Leigh) (Con): I thank the Minister and the Economic Secretary to the Treasury for bringing this Bill to the House. I welcome this Second Reading debate and am pleased that the Government are making tangible progress. I also thank Dame Gloster for her report and welcome the fact that the Government have accepted its nine recommendations. My contribution will be brief and I hope that, given the time constraints, Members will forgive me for not taking interventions.

Will my hon. Friend the Economic Secretary clarify whether bondholders will be required to surrender all their bonds to qualify for the Government's scheme? If that is the case, some of my constituents who invested considerable sums in the scheme will be forced to surrender all their bonds, regardless of the amount invested, to receive the maximum £68,000 of compensation offered by the Government, as opposed to their being able to surrender a portion of their bonds to gain access to the Government's compensation scheme while still potentially being able to receive further dividend payments direct from the administrators, thereby ensuring that their loss is reduced. My constituents need clarity and it would be most welcome if the Department would consider that. I recently wrote to my hon. Friend about this matter and very much look forward to hearing his response.

6.35 pm

John McDonnell (Hayes and Harlington) (Lab) [V]: The Bill will bring relief to thousands of investors who were let down not just by a failed company but by a failed system. That is why we need a Bill that will address the failures of regulation, governance and auditing, but this Bill does none of that. The Government are yet again bailing out victims of an under-regulated finance system that is regularly ripping off smaller investors. I have to say that Government Ministers are guilty of gross negligence for standing by while this happens time and again.

LCF was offering customers mini-bonds. The FCA said:

"There is no legal definition of a 'mini-bond'",

but it did nothing to stop the mis-selling. The FCA saw no issue with LCF's operations, yet in March 2019 HMRC found that products advertised as ISAs by LCF did not meet the rules. In addition, the FCA was advising that investments would be protected by the financial services compensation scheme; the High Court judged that they were not. The FCA was asleep at the wheel.

The then chief executive of the FCA, who is now the Governor of the Bank of England, sat on his haunches and did nothing. Some 18 months ago, I called on the previous Chancellor, the right hon. Member for Bromsgrove (Sajid Javid), to delay Mr Bailey's appointment as Governor, given the concerns.

I am pleased that the Dame Elizabeth Gloster's report actually identifies some of the problems. She described the FCA's supervision of LCF as "wholly deficient" and said that there were "significant gaps and weaknesses" in the FCA's practices. She said that staff were

"not…trained sufficiently to analyse a firm's financial information to detect indicators of fraud or other serious irregularity."

LCF's founder was Simon Hume-Kendall, a former chairman of the Tunbridge Wells Conservatives and a party donor. It has been reported that the investors' cash in LCF has been used to buy horses, a helicopter and lifetime memberships to private Mayfair clubs. Perhaps the Minister could update us on the ongoing inquiries into the activities of this gentleman and LCF.

As has been said, this is not a one-off. There are so many other examples, including Blackmore, Basset & Gold and Chilango. Perhaps the Minister can tell us when further Bills will be introduced to compensate the investors in those schemes who lost so much money. I welcome the Bill—of course I do—but it is now time for the Government to bring forward serious legislation to stop crimes like this happening in the first place and to protect our constituents from these spivs.

6.38 pm

Sammy Wilson (East Antrim) (DUP) [V]: I welcome the Bill. Those of my constituents who have been affected by the collapse of LCF will welcome the fact that, as a result of the excellent report by Dame Elizabeth, which really lifted the lid on how the Financial Conduct Authority failed in its obligations, the Government have been forced into the position we are in today with this Bill. I welcome that.

As other speakers have said, this is not the first time that the Financial Conduct Authority has failed in its regulatory duty and failed people who are innocents in all of this. Firms assure them that they are regulated and that protection is available, but the savings they invest are then snatched from them. Let us look at the failure of the FCA in this particular case. It failed to meet its statutory obligations. It failed to take any action even when it was found that a regulated firm was engaging solely in unregulated lending. Surely that must have raised concerns that the firm was using its regulated status to engage in activities that were unregulated. Its staff were clearly not trained in taking complaints and passing them on. Indeed, as Dame Elizabeth pointed out, they were actually assuring the public that the claims being made by LCF were correct and that their savings were safe. Even when fraud was passed on up the line to supervisors, again it was ignored. All these regulatory failures require the Government to ensure that there is compensation for individuals.

I agree with the Minister that we cannot cover every spiv and every chancer who tries to take money from people. If we are going to avoid that, we must have proper regulations. If the Financial Conduct Authority has proven that it is not up to the job, new regulators have to be put in place. Those who take on the responsibilities of the Financial Conduct Authority have to be held responsible as well. We cannot simply say that it is about the institution or the people who are in charge; we have to avoid this happening again so that people in my constituency who have suffered do not continue to suffer from these kinds of actions.

6.42 pm

Rebecca Long Bailey (Salford and Eccles) (Lab) [V]: My constituents were not professional financial investors; most were senior citizens relying on the investment for their pension. They worked hard in their younger years to save a little bit here, a little bit there, to ensure that in their twilight years they would have enough to live on—but this security was savagely snatched away from them. They were duped by grossly misleading and deceitful marketing and let down by negligent regulators and ineffective auditors.

Although I am broadly supportive of the Bill, there are two very urgent issues that the Government must address. First, the compensation is capped at 80% of what victims would have been entitled to had they been eligible for the financial services compensation scheme. They were denied that protection simply because mini-bonds were not regulated. The Gloster report states:

> "The FCA had identified the risks to consumers posed by mini-bonds from as early as 2013 and the additional risks relating to the use of mini-bonds as a quasi-investment vehicle by at least 2017."

Yet the FCA and the Government failed to regulate. The Government must therefore recognise their own negligence to regulate, as well as the FCA's, and commit today to offer the full compensation that victims should have been entitled to.

Secondly, on auditing, London Capital & Finance had only £50,000 of share capital and high leverage in 2016, but its auditors simply waved through its accounts. In 2018, when the firm was all but insolvent, its auditors, astoundingly, had no problem with its accounts. But sadly, as we know, this is not a rare occurrence. BHS, Carillion, Thomas Cook, Patisserie Valerie and many more all sailed through their audits with flying colours despite the horrors lurking beneath. Such scandals required robust action to ensure that they could never happen again, but this Bill does not do that. The Government must therefore set out urgent proposals to address the systemic regulatory failures that this case has exposed in the FCA but also in the auditing industry.

6.44 pm

Gareth Thomas (Harrow West) (Lab/Co-op): I rise to support the Bill, but to suggest that there are wider issues to be considered from the scandal behind it. In particular, I suggest that there are disturbing echoes of Dame Elizabeth Gloster's report in how the demutualisation of Liverpool Victoria is being considered by the same regulators, and that there is an urgent need to tighten up some major legal loopholes.

The focus of the Financial Conduct Authority's interest to date in LCF and Liverpool Victoria is very different. LCF was selling, or rather mis-selling, a distinct product. With Liverpool Victoria, the issue is whether it should be allowed to hand over all the capital and assets its British customers have helped it build up over almost 200 years to a privately owned American firm with no commensurate experience, and whether the choices of consumers past and present are being respected. I understand that regulators have had a substantial number of meetings with those pushing the demutualisation, but none with the customers and owners of Liverpool Victoria.

Consumers lost thousands with London Capital & Finance. The customers of Liverpool Victoria also risk losing out significantly. Dame Elizabeth's report questioned whether policy papers and staff training at the FCA were adequate. In the case of LCF, the inability to detect indicators of fraud was the key driver of her concern, but given that the FCA has made no analysis of what happened during previous demutualisations of financial services businesses—whether customers benefited or lost out; whether customers were presented with fair information and given access to alternative viewpoints—it is difficult to see how staff could be trained to protect the consumer interest properly during a demutualisation. Indeed, all the evidence that has been compiled independently suggests that demutualisations result in worse services for consumers.

It is clear that Dame Elizabeth thought that the FCA was not fit for purpose. It did not protect LCF customers, despite repeated wake-up calls. Similarly, given the complicated nature of financial services businesses, the customers of a financial mutual are not always well placed to make a judgment about whether a vote for a conversion is in their interest; they rely on the advice of others. Customers are not given even-handed information by boards wanting to demutualise—they are certainly not in the case of Liverpool Victoria—to allow them to

[Gareth Thomas]

make an informed decision. The FCA has a critical role, and it needs to exercise a little more robust direction to the board of Liverpool Victoria. Similarly, legislation for friendly societies needs updating so that it properly protects consumers' assets and ensures that regulators can properly protect consumers during demutualisations.

6.47 pm

Jim Shannon (Strangford) (DUP): I, too, welcome the Bill and very much look forward to its moving forward. Having read the background information and looked back on what happened, I have a couple of questions, although I support the Bill and think it is important that we do so.

The FCA found in the case of London Capital & Finance that it had been

"misleading, not fair and unclear"

in its advertising, and that there had been

"serious concerns about the way the firm was conducting its business".

For me, it is clear that the FCA at that time failed the investors. At the same time, Dame Elizabeth's report concluded that

"the FCA did not discharge its functions in respect of LCF in a manner which enabled it effectively to fulfil its statutory objectives."

We are where we are tonight, and we have a Bill that I hope will address those issues for this particular group of investors. I just ask the Minister whether—the hon. Member for Harrow West (Gareth Thomas) referred to this—in other cases where people have invested similarly and indiscretions and fraud have taken place, they too will be able to benefit from this legislation.

I welcome clause 2, which will give the Secretary of State the power to make a loan to the board of the PPF to enable the payment of compensation to eligible occupational pension schemes following the High Court judgment. That is an essential component of the legislation, as is the fact that it entails the loan being repaid by the fraud compensation fund levy over a period currently estimated to be between 10 and 15 years. We must protect, if we can, the pension schemes and investors through that process and give them peace of mind. The protection of those pensioners is increasingly important to me, as it is to every hon. Member who has spoken in the debate and to the Minister.

I will pose one last question to the Minister, if I may, about those investors who may have passed away without being able to take advantage of this legislation. Will the families of the deceased—those who are no longer here—qualify for the compensation as well?

6.51 pm

The Economic Secretary to the Treasury (John Glen): It is a great honour to speak in this debate and to have worked with the pensions Minister—the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Hexham (Guy Opperman)—to bring forward this legislation. Many Members of this House, if not all, will have constituents who have been affected by the issues that we have dealt with and discussed this afternoon.

I am pleased that the Bill has the support of Members across the House. I have listened carefully to the debate. Observations have been made about the FCA and about the House's confidence in its conduct; I will seek to address those points and to respond to the important points raised by several hon. Members about the compensation scheme for London Capital & Finance.

Let me begin with the scope of the compensation scheme and what it means in relation to the Government's approach to future firm failures—a point that the right hon. Member for Hayes and Harlington (John McDonnell) and others raised. The LCF is not the only mini-bond firm that has failed in recent years. The Treasury, in collaboration with the FCA, has examined every mini-bond issuer known to have failed in the past eight years. Following that detailed analysis, the Government are satisfied that the circumstances surrounding LCF are truly exceptional.

As hon. Members may already be aware, the issuance of mini-bonds is not regulated by the FCA. As my hon. Friend the pensions Minister set out, LCF was an FCA-authorised firm despite not receiving any income from regulated activities. LCF is unique in that regard; indeed, it is the only mini-bond issuer that was authorised by the FCA and that sold bonds to on-lend to other companies. That is important, because one of the central findings in Dame Elizabeth Gloster's excellent report is that because LCF was authorised, the FCA should have considered its business holistically, including the unregulated activity of issuing mini-bonds. The FCA cannot be said to have the same responsibilities with regard to unauthorised firms. Although the Government have not seen evidence to suggest that the regulatory failings at the FCA caused the losses for bondholders, they were a major factor that the Government considered when deciding to establish the scheme.

I pause to acknowledge the representations made by the hon. Members for Strangford (Jim Shannon) and for Kirkcaldy and Cowdenbeath (Neale Hanvey) and by my hon. Friend the Member for Leigh (James Grundy). I will set out in due course, in the coming months, the details of how the scheme will operate. I am very happy to take correspondence on individual cases, but I think it would be inappropriate to try to address at the Dispatch Box this evening every single case raised. However, I have received and read many letters from individuals who have lost money after investing in LCF and other failed mini-bond firms, including Blackmore Bond and Basset & Gold, which were raised in the debate.

I sincerely extend my sympathy to all those affected, as I know that many individuals have suffered financial hardship—severe financial hardship, in many cases—as a result of their investment losses. However, I must be clear that the Government cannot step in to pay compensation in respect of every failed financial services firm. That falls outside the financial services compensation scheme, would create a moral hazard for investors and would potentially lead individuals to choose unsuitable investments, thinking that the Government would provide compensation in all cases if things went wrong.

The Government's approach follows the historical precedent. I note that only three compensation schemes have been established in the past 35 years—for Barlow Clowes, a Ponzi scheme that failed in the late 1980s, Equitable Life and LCF—despite many investment firms failing over that period. The Government are also seeking to ensure that the situation never arises in the future. In April, we launched a consultation with proposals to bring mini-bonds into FCA regulation.

The right hon. Member for Wolverhampton South East (Mr McFadden) asked a number of questions about the Government's confidence about the FCA's capability. As the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Hexham mentioned, the transformation programme that the new chief executive, who has been in post for just over eight months, is undertaking at pace is designed to empower the organisation at all levels to hear the representations that the right hon. Member for Wolverhampton South East made, to act on them, and to deal proactively with the cases that are raised.

Gareth Thomas: It is encouraging to hear the Minister's confidence in the transformation programme. Given the concerns that consumers might lose out in the demutualisation of Liverpool Victoria, will he sit down with the new chief executive of the FCA and go through how the FCA will ensure that consumers' interests are properly protected if that demutualisation goes ahead?

John Glen: I thank the hon. Gentleman, as ever, for his representations. He has been a determined campaigner for that sector during my tenure. I have regular conversations, at least every six weeks, with the chief executive of the FCA, and we discuss a whole range of matters. I would be very happy to discuss that matter with him when I next speak to him in the next few weeks.

As Members from across the House have recognised today, the measure concerning a loan to the board of the Pension Protection Fund, set out in clause 2, is vital to ensure that those defrauded of their pensions by scam pension liberation schemes are able to access the compensation that they deserve. The Bill will ensure that those whose pensions have been unjustly targeted by fraudsters receive their pensions. We must continue to provide a safety net for people across the UK, who deserve to have confidence that they will have a pension pot for their retirement. I note that a number of observations were made about the ongoing challenge of dealing with the evolving nature of financial services firms and the sophistication of scams. The Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Hexham, and I are working across Whitehall to bring an effective resolution to this matter.

I acknowledge that Members from across the House have supported the principles of the Bill, and I welcome the support that it has received. It will offer some relief to the enormous distress and hardship suffered by LCF bondholders and victims of fraudulent pension liberation schemes. It is an important Bill, and I want to move as quickly as possible from Royal Assent to enact it and deliver that compensation. I hope that right hon. and hon. Members will support it this evening.

Question put and agreed to.

Bill accordingly read a Second time.

COMPENSATION (LONDON CAPITAL & FINANCE PLC AND FRAUD COMPENSATION FUND) BILL (PROGRAMME)

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

That the following provisions shall apply to the Compensation (London Capital & Finance plc and Fraud Compensation Fund) Bill:

Committal

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 Thursday 17 June.

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

Proceedings on Consideration and Third Reading

(4) Proceedings on Consideration 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 Third Reading.

Other proceedings

(7) Any other proceedings on the Bill may be programmed.—*(Alan Mak.)*

Question agreed to.

COMPENSATION (LONDON CAPITAL & FINANCE PLC AND FRAUD COMPENSATION FUND) 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 resulting from the Compensation (London Capital & Finance plc and Fraud Compensation Fund) Bill, it is expedient to authorise the payment out of money provided by Parliament of:

(a) expenditure incurred by the Treasury for, or in connection with, the payment of compensation to customers of London Capital & Finance plc; and

(b) loans by the Secretary of State to the Board of the Pension Protection Fund.—*(Alan Mak.)*

Question agreed to.

COMPENSATION (LONDON CAPITAL & FINANCE PLC AND FRAUD COMPENSATION FUND) BILL (WAYS AND MEANS)

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

That, for the purposes of any Act resulting from the Compensation (London Capital & Finance plc and Fraud Compensation Fund) Bill, it is expedient to authorise such levying of charges under section 189 of the Pensions Act 2004 and Article 171 of the Pensions (Northern Ireland) Order 2005 as may arise by virtue of that Act.—*(Alan Mak.)*

Question agreed to.

Madam Deputy Speaker (Dame Rosie Winterton): I will now suspend the House for two minutes to make the necessary arrangements for the next business.

6.59 pm

Sitting suspended.

House of Commons Commission (External Members)

[Relevant document: Report from the House of Commons Commission, External members of the House of Commons Commission: nomination of candidates, HC 223.]

7.1 pm

The Leader of the House of Commons (Mr Jacob Rees-Mogg): I beg to move,

That, in pursuance of section 1(2B) of the House of Commons (Administration) Act 1978, as amended, Louise Wilson be appointed to the House of Commons Commission for a period of three years with immediate effect; and Shrinivas Honap be appointed to the House of Commons Commission for a period of three years commencing on 1 October 2021.

Before turning to today's motion, I am sure that the House will want to join me in thanking Jane McCall, who served as an external member on the Commission for over five years and finished her time in post at the end of April. In addition, Rima Makarem's three-year term will end on 30 September, and, owing to other commitments, she has given notice that she will not be seeking an extension to her appointment. Having served alongside both of them on the Commission, I am most grateful for their contribution and the valuable external perspective and commitment that they brought to their roles. They always had a particular interest in value for money, which is one of the things that we should take most seriously in the House as guardians of taxpayers' money. I am grateful for what they have done and wish them well in their future endeavours.

Today's motion gives the House the opportunity to agree two new external members of the Commission. In February, the Commission endorsed the recruitment process to appoint new external members. The full details of that process are set out in the Commission's report on the nomination of candidates for its external members, HC 223, which has been tagged to today's debate.

In March, a sifting panel, consisting of the then shadow Leader of the House, the right hon. Member for Walsall South (Valerie Vaz), the Clerk of the House and the secretary to the Commission, Marianne Cwynarski CBE, shortlisted four candidates for interview by the selection panel. The selection panel comprised Mr Speaker, me, the right hon. Member for Walsall South, Isabel Doverty, who is a former civil service commissioner, the Clerk of the House and the secretary to the Commission. Interviews took place in April.

Following that process, the selection panel recommended to the Commission that Louise Wilson and Shrinivas Honap be nominated as its new external members, with Louise replacing Jane McCall and, in due course, Shrinivas replacing Rima Makarem. Should the House agree to these appointments, it is expected that both will also serve on the Audit and Risk Assurance Committee and that Shrinivas will replace Rima Makarem as chairman of that committee.

As the Commission's report sets out, Louise Wilson is a business leader with an international career combining commercial expertise with extensive non-executive experience in the public, private and charitable sectors. She established her career at Accenture and gained global marketing and commercial expertise at Procter and Gamble, PepsiCo and The Coca-Cola Company—she is very fizzy, I should think, with all that experience at those drinks companies. She founded an international marketing and sponsorship company and, following London's successful bid, served as the client services director of the 2012 London Olympic and Paralympic games. She has previously undertaken non-executive roles across a range of business and charitable organisations spanning education, heritage, culture, visitor attractions, faith and diversity. These have included roles at Historic Royal Palaces, the University of Nottingham, the David Ross Education Trust, the International Women's Forum, the Harvard Vatican Leadership Trust, the Marketing Group of Great Britain, the Queen's Commonwealth Trust and, currently, the Northern Ireland Office and the National Emergencies Trust.

Shrinivas Honap is a chartered accountant by profession and served with Vodafone, Capita, KPMG and Egg during his executive career. He currently holds a number of non-executive roles, including as chairman at the Driver and Vehicle Standards Agency, non-executive director and chair of the Audit Committee at UK Atomic Energy Authority and at the Rural Payments Agency. He has recently been appointed to the Civil Service Pension Board and also serves as a lay member on the Speaker's Committee for the Independent Parliamentary Standards Authority and a panel member at the Competition and Markets Authority and on the Pensions Determination Panel.

The Commission believes that both candidates bring a diverse range and depth of experience and that this will hugely benefit the work of the Commission in the coming years. As a member of the Commission who interviewed them, I add my own very strong personal recommendation. We interviewed two exceptionally strong candidates and the House is very fortunate that they put their names forward and are willing to serve. As such, the House of Commons Commission—I am, in bringing this motion, acting for the Commission—recommends that the House appoints both candidates as external members, each for an initial period of three years. I hope that the House will agree to their appointments today and I commend this motion to the House.

7.5 pm

Thangam Debbonaire (Bristol West) (Lab): I thank the Leader of the House for introducing the motion. On behalf of Her Majesty's Opposition, may I warmly welcome the two new external Members of the House of Commons Commission? I have had the pleasure of meeting one already—Louise Wilson. She impressed me greatly. I also read carefully the reports that the Leader of the House has made reference to, with details of the recruitment process. From my so far limited experience of the Commission, I would say that this appears to have been done in a fair and thorough manner. I look forward to meeting the second external commissioner in due course.

I know that we are going to move on subsequent motions without debate, so I would like to place on record my thanks to my hon. Friend the Member for Nottingham South (Lilian Greenwood) for her service on the Parliamentary Works Estimates Commission as well as to welcome, obviously, my right hon. Friend the Member for Newcastle upon Tyne East (Mr Brown) to that post.

To finish, I would like to strongly recommend, from what I have seen and the evidence that I have heard and read, Louise Wilson and Shrinivas Honap to the House of Commons Commission as external commissioners.

7.7 pm

Pete Wishart (Perth and North Perthshire) (SNP): I thank the Leader of the House for moving this motion this evening. May I apologise to you, Madam Deputy Speaker, to Mr Speaker and to the House for not being in my regular place at business questions on a Thursday morning? It is not because I do not want to be here; it is because I also chair the Scottish Affairs Committee, which meets just now on a Thursday morning, and the Conservative members have resolutely refused to move the time of that Committee. I hope to get that resolved as soon as possible.

I know that the Leader of the House always says that there is not a Conservative majority on the Scottish Affairs Committee, which is entirely right, but how we try to work in this House, as you know, Madam Deputy, is through consensus, engagement and working together, so that we can reach an outcome that is positive for everybody. Once again, I appeal to the Leader of the House to make representations to his colleagues, so I can get back here again, because I know that he enjoys a joust with me on a Thursday morning.

I have not had the opportunity to welcome the hon. Member for Bristol West (Thangam Debbonaire) to her post, because I have not been here on a Thursday morning, so I would like to welcome her now. I also never had the opportunity to pay tribute to the right hon. Member for Walsall South (Valerie Vaz)—the three of us served so many years together—and I just wanted to put that on record. I am sure that you will forgive me for that, Madam Deputy Speaker.

I also want to welcome Louise Wilson. This is a fantastic appointment, and I very much look forward to working with her on the Commission. I had the pleasure of meeting Louise just a few weeks ago. She was as effervescent as The Coca-Cola Company with which she worked with such distinction for all those years. Her experience of the London Olympics will serve her well as we negotiate with the Sponsor Body on the ongoing agonising over restoration and renewal. It has been said that Louise is highly experienced with an extensive track record in business and public service.

I have not had the opportunity to meet Shrinivas Honap. I look forward to meeting him. I totally support what the Leader of the House has said about his background and experience. He does seem to be ideally placed to join us in the House of Commons Commission and I look forward to meeting him in time.

I pay tribute to Jane McCall and Rima Makarem. I got to know both of them, as you did, Madam Deputy Speaker, after all these years in service to the Commission. It is worth noting that we all enjoyed working with them. They brought something special to the deliberations of the Commission, and I wish them well for the future. We have to pay tribute to our external members of the House of Commons Commission. They offer a different perspective from the perhaps institutionalised view that we have as Members of Parliament, and it is worth noting what they bring to the workings of the Commission. We look forward to doing all that as we go forward.

We are, quite rightly, not going to get an opportunity to discuss the appointments to the other bodies. I also welcome the right hon. Member for Newcastle upon Tyne East (Mr Brown). It is not often that someone can be a Chief Whip under three different Governments and still be popular and liked across the House, but he manages to do that with aplomb and I wish him well. I also want to pay tribute to the hon. Member for Nottingham South (Lilian Greenwood). She did a great job in her other roles and I look forward to working with her. And hopefully, Madam Deputy Speaker, I can get to business questions—help me out, Leader of the House so that I can be here.

7.10 pm

John Spellar (Warley) (Lab): I am mindful of the concerns of colleagues that they do not want to be delayed for too long. I have no animus against, or indeed any knowledge of, either of the two individuals being appointed, and they may well fit the glowing descriptions that we have heard. I certainly hope so, and no doubt the Leader of the House will be pleased to sit alongside them as well, but I have huge problems with the process. What seems to have happened here, as so often—in fact, almost invariably—with our selection processes, is that we determine and narrow the outcome by the criteria that we use. It is like any algorithm: if we set the criteria for it, it will predict the outcome that we are going to get.

So let us look at the criteria. They include the need for:

> "Senior executive leadership experience within a complex organisation".

Already we are saying, basically, that we want the corporate suits. Male or female, it is the corporate suits we want, not people who have gone out and created and run a business themselves; not people who have actually worked in industry or maybe run a factory and really know about running things; not trade unionists who have had to engage with complex issues; not people who have worked in hospitals—not in senior management but maybe running a ward; and not those who are running a school. Those people do not get considered.

Every time we have a list of nominations, it nearly always consists of those who have been in big corporates and who have then sat on the boards of quangos and charities. It is always the great and the good. We keep appointing them time and time again, then we are surprised that this country ends up being so badly run. Basically, we are drawing from a very narrow cast, and we are constantly enabling them to perpetuate themselves —and not only them as individuals and their narrow range of experience, but their general ethos and that narrow self-perpetuating culture, which I am surprised, frankly, that the Leader of the House so readily accepts.

I have another problem with this. Paragraph 14 of the report from the Commission to the House says:

> "In the case of both candidates, the selection panel was satisfied that neither had undertaken any political activity within the last five years".

I am absolutely fed up with this assumption—again from this self-perpetuating elite that I have described—that party political activity is somehow reprehensible, shabby and shoddy, and that it is only those who will not engage in politics who are fit to be engaged in running public life. That is detrimental both to politics and to public life. I will continue to raise this issue on all such occasions when this same rotten process occurs, because, as we have seen many times, the public see through this arrogant metropolitan intellectual and cultural elite and the way they are running this country. But yet again, all the time, we are playing our part in perpetuating

[John Spellar]

its malign grip. As I have said, I have no animus against the individuals concerned, but I have huge objections to the process.

7.14 pm

Mr Rees-Mogg: Before I reply to the right hon. Member for Warley (John Spellar), may I pay tribute to a most distinguished member of the Commission who has stood down? If I may say so, Madam Deputy Speaker, you have been a great person to work with on the Commission—always sensible, moderate and seeking consensus, and not using it for party political purposes. Of course, you are no longer party political in these roles, and what fun it was being on the Commission with you. I record our gratitude for the bacon sandwiches, which were particularly appreciated and were, I think, thanks to your lobbying. I thank the shadow Leader of the House and the hon. Member for Perth and North Perthshire (Pete Wishart) for their contributions and support. I note the hon. Gentleman's comments about Thursday mornings, but sometimes in this place a vote is necessary to get what one wants, and it may be that that is what he needs to do.

On the important points raised by the right hon. Member for Warley, I am not keen on the metropolitan elite any more than he is. I tend to think that they have a set of views that are not particularly my views, or those of my constituents in rural Somerset, so I think his criticisms need to be considered carefully. First, senior executive leadership does not exclude trade unionists or people who have worked in the public sector, and there are senior leadership and executive roles in bodies that are not big business. Indeed, the House has taken people who have not been involved with big business but have been involved in the public sector, and trade unionists would be welcome to apply. They obviously run complex organisations, and the suggestion that they would be excluded is unfair. It is obviously right that the House expects people to have been senior in whatever they have done, whether that is an entrepreneur, a headmaster or headmistress, someone who has run a hospital, a trade union leader, or somebody who has worked for a big company such as Coca-Cola, and that is a broad category to have.

On the question of politics, we have debated this issue before, and I agree with the right hon. Gentleman that being involved in politics is something one should wear as a badge of honour. It is part of being involved in civic society, and that applies to all parties, not just to those in one of the major parties, and not even if someone is just a good Tory, like me. Whatever, party someone belongs to, they are contributing to society. But—there is inevitably a but—on the Commission, the politics is provided by Members of the House, and there is no point trying to change the balance of the Commission from the balance in the House by appointing outsiders who are political. It is simply a question of appropriateness for the role that they are to fulfil within this House. I think that is fair. Members of the House can be party political if they want to on the Commission, although it tends to work well by consensus, but to appoint external politicians would, I think, border on the eccentric. I have great confidence in the two people we have chosen today, who I think will be a real pleasure to work with.

John Spellar: I would understand if the right hon. Gentleman were arguing, for example, that a political leader of a council might change the balance of the Commission, but if we are trying to get expertise, they would also be used to running large organisations. He rightly said that the Commission tends to work with a degree of consensus; it is not divided. Many other countries managed to encapsulate that. They appoint people to public bodies in the full and public knowledge that they have been politically active. I still do not understand why the right hon. Gentleman thinks that should be a major debarring factor.

Mr Rees-Mogg: As I hope I was making clear, I think it debars from the Commission, where politicians are already appointed. It inevitably does not debar from other public sector appointments, where that may be perfectly reasonable, and where people may be appointed because of their connection to a political party if we are seeking a political balance. As I said, I have particular confidence in the two people we are appointing today. I think they will be first class and make a considerable contribution to the Commission and the work of this House.

Madam Deputy Speaker (Dame Rosie Winterton): I thank the Leader of the House for his kind words. It was a great pleasure to be on the Commission, and very enjoyable working with all those who served on it.

Question put and agreed to.

PARLIAMENTARY WORKS ESTIMATES COMMISSION

Resolved,

That Lilian Greenwood be discharged as a member of the Parliamentary Works Estimates Commission and Mr Nicholas Brown be confirmed as a member under Schedule 3 to the Parliamentary Buildings (Restoration and Renewal) Act 2019.—*(Tom Pursglove.)*

SPEAKER'S COMMITTEE FOR THE INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY

Resolved,

That Thangam Debbonaire be appointed to the Speaker's Committee for the Independent Parliamentary Standards Authority in place of Valerie Vaz, until the end of the present Parliament, in pursuance of paragraph 1(d) of Schedule 3 to the Parliamentary Standards Act 2009, as amended.—(Tom Pursglove.)

HOUSE OF COMMONS MEMBERS' FUND

Resolved,

That Sir Alan Campbell be removed as a Trustee of the House of Commons Members' Fund and Mr Nicholas Brown and Craig Whittaker be appointed as Trustees in pursuance of section 2 of the House of Commons Members' Fund Act 2016.—*(Tom Pursglove.)*

Business without Debate

INFORMATION COMMISSIONER (REMUNERATION)

Motion made and Question put forthwith (Standing Order No. 118(6) and Order of 25 May),

That, from 1 November 2021—

(1)the Information Commissioner shall be paid a salary of £200,000 per annum and pension benefits in accordance with the standard award for the civil service pension scheme;

(2)all previous resolutions relating to the salary and pension of the Information Commissioner shall cease to have effect.—*(Tom Pursglove.)*

John Spellar (Warley) (Lab): Object. Will I be right, Madam Deputy Speaker, that the Division will therefore be deferred?

Madam Deputy Speaker (Dame Rosie Winterton): The right hon. Gentleman is saying no; the Division will be deferred until tomorrow.

John Spellar: The Information Commissioner is doing a lousy job and £200,000 is far too much.

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 9 June (Standing Order No. 41A).

JUSTICE COMMITTEE

Ordered,

That John Howell be discharged from the Justice Committee and Laura Farris be added.—*(Mike Freer, on behalf of the Committee of Selection.)*

WOMEN AND EQUALITIES COMMITTEE

Ordered.

That Ben Bradley and Peter Gibson be discharged from the Women and Equalities Committee and Lee Anderson and Philip Davies be added.—*(Mike Freer, on behalf of the Committee of Selection.)*

Kettering General Hospital

Motion made, and Question proposed, That this House do now adjourn.—*(Tom Pursglove.)*

7.23 pm

Mr Philip Hollobone (Kettering) (Con): What a joy it is to see you in the Chair, Madam Deputy Speaker; thank you for staying for the Adjournment. I thank Mr Speaker for granting me this debate and welcome the Minister to his place. I also welcome my hon. Friend the Member for Corby (Tom Pursglove), who is a superb representative for his constituents, but who unfortunately, as he holds the high office of the Government Whip, is not allowed to speak in this place. I also thank all the staff at Kettering General Hospital, in particular Simon Weldon, the superb group chief executive, and Polly Grimmett, the director of strategy.

I thank the Minister for the personal interest that he has shown over a long period in Kettering General Hospital. He visited the hospital on 7 October 2019. He responded to an Adjournment debate on the hospital on 23 October 2019, when he announced £46 million of new funding for the proposed urgent care hub, and on 3 February this year he met with the hospital and my hon. Friends the Members for Wellingborough (Mr Bone) —who I welcome to his place—and for Corby. I would also like to thank the Prime Minister, who spent five hours on a night shift at Kettering General Hospital in February 2020.

I welcome the Government's unprecedented investment in the NHS and their commitment to the hospital building programme, which has resulted in promised commitments to the hospital of £46 million for a new on-site urgent care hub, £350 million in health infrastructure plan 2 funding for 2025 to 2030, and a write-off last year of £167 million of trust debt at the hospital. However, promises are one thing and delivery is another. The problem that the hospital faces is that these two funding streams from the Government—£46 million for the urgent care hub and £350 million for the phased rebuild—are not being meshed together by the Health Department and HM Treasury. The danger is that, as a result, the promised investment in the hospital faces potentially serious delays.

The dilemma is this: if the hospital proceeds with the £46 million urgent care hub build as a stand-alone project, there will not be room on the site for the HIP2—health infrastructure plan 2—development post 2025. On the other hand, if the hospital waits for the HIP2 funding, it will lose its £46 million urgent care hub funding commitment, and the urgent replacement for the hospital's overcrowded A&E may never happen.

I have four main asks of the Health Department and HM Treasury: first, permission for the hospital to draw down on the £46 million urgent care hub funding commitment so that work can start on the initial works required for the project; secondly, permission for the hospital to proceed with the preparation of its outline business case for the HIP2 investment expected after 2025; thirdly, an early advance of £52 million, spread over the next three years, from the £350m HIP2 commitment, so that the urgent care hub can be built not as a stand-alone project, but as the initial part of the phased hospital redevelopment; and, fourthly, that the Secretary of State for Health honours his welcome commitment made on the Floor of the House earlier today, in response to a question of my hon. Friend the

[Mr Philip Hollobone]

Member for Wellingborough (Mr Bone), to meet the three hon. Members for north Northamptonshire to get the issues sorted out. The Secretary of State said: "Nothing gives me greater pleasure than making stuff happen, so I would be very happy to meet…to make sure we can get this project moving as soon as we can."

Those four asks are not about asking for extra money over and above that which has already been promised. Instead, they outline a sensible, flexible and dovetailed approach to already given funding commitments, so as to maximise value for money for the taxpayer while also ensuring that local people get to see as soon as possible the badly needed improvements to our local hospital, which we have already been promised. Simply put, the problem is this: building the promised urgent care hub is no longer an option on a stand-alone basis. If it is built as a stand-alone project, there would not be enough room on the site for the subsequent HIP2 funding, so the value-for-money solution is to integrate the two funding streams.

Kettering General Hospital is ready to go. It owns the land, so no land deals are required, and no extra public consultation is needed. It has written support from local planners and the regional NHS. It is a phased approach that would deliver visible and real benefits. It is shovel ready and has far lower risks than other hospital build projects. In developing this whole-site plan—integrating the urgent care hub and HIP2 funding streams—the hospital has identified the best way of delivering value for money to get the buildings up and operating, serving local people.

Kettering hospital is unique among the 40 designated hospital rebuilds scheduled to be completed by 2030. First, it already has a Government commitment for a new £46 million urgent care hub. Therefore, its future funding is complicated as it comes from two separate funding pipelines. Secondly, it is ready to go, with an innovative, phased and value-for-money rebuild on land that it already owns, with no planning or consultative hold-ups. Thirdly, it serves one of the fastest growing areas in the whole country. Fourthly, it has one of the most congested A&Es of any hospital in the land, which needs addressing as a matter of urgency. I do not believe that any other hospital in the country has that unique set of circumstances.

Mr Peter Bone (Wellingborough) (Con): Does my hon. Friend recall that this project in effect started before my hon. Friend the Member for Corby (Tom Pursglove) was elected in 2015? It has widespread cross-party support. If this were a business, without doubt a pre-payment would be made, because it would save money in the end and get things done. Are we just caught in a silo, with the Treasury here and the health service there? They must somehow mesh together.

Mr Hollobone: My hon. Friend is quite right. This is not a difficult problem to solve. It requires a political solution and it requires a decision by Health and Treasury Ministers acting together.

Kettering General Hospital is a much loved local hospital. With 500 beds, it has been on its present site in the heart of the town of Kettering since 1897—that is 124 years. There cannot be many hospitals that have such a record. Most of the residents in the parliamentary constituencies of Kettering, Corby and Wellingborough were born there—as my hon. Friend the Member for Corby was—have been repaired there or, sadly, passed away there. There can be very few local residents who have not accessed the hospital at some point during their lives. It also has a fantastically dedicated, talented and loyal workforce.

The pressure on the hospital is being driven primarily by very fast local population growth. The Office for National Statistics has shown that we are one of the fastest growing areas in the whole country, at almost double the national average. The borough of Corby is the fastest growing borough outside London. In the last census, out of 348 districts across the country, Kettering was No. 6 for growth in the number of households and 31st for population increase, while Corby has the country's highest birth rate.

Kettering General Hospital expects a 21% increase in over-80s in the next five years alone. The area is committed to at least 35,000 new houses over the next 10 years. That means a local population rise of some 84,000 to almost 400,000 people. The A&E department, which is sized to see 110 people a day safely, now sees up to 300 patients every single day. Every day, 90 patients are admitted to the in-patient wards from A&E, and the hospital expects the number of A&E attendances to increase by 30,000 over the next 10 years, which is equivalent to almost 80 extra patients every day. That is why the promised improvements are desperately needed.

The big problem at Kettering General Hospital is that the A&E department is full. It was constructed in 1994 to cope with 45,000 attendances each year. It now has around 100,000 attendances a year, which is well over 150% of the department's capacity, and by 2045, 170,000 attendances are expected at the same site. The solution to that pressure is for an urgent care hub facility, costing £46 million, to be constructed on the site. It would be a two-storey, one-stop shop with GP services, out-of-hours care, an on-site pharmacy, a minor injuries unit, facilities for social services and mental health care, access to community care services for the frail elderly, and a replacement for our A&E department. All the NHS organisations in Northamptonshire, as well as NHS Improvement regionally, agree that that is the No. 1 clinical priority for Northamptonshire.

The A&E department at the hospital was visited five years ago by Dr Kevin Reynard of the national NHS emergency care improvement programme. He said:

> "The current emergency department is the most cramped and limited emergency department I have ever come across in the UK, USA, Australia or India. I cannot see how the team, irrespective of crowding, can deliver a safe, modern emergency medicine service within the current footprint."

I am glad that the Government have recognised the hospital's superb business case for this fit-for-purpose emergency care facility that will meet local population growth for the next 30 years. It has been developed with all the health and social care partners across the county so that patients can get a local urgent care service that meets all the Government guidance on good practice, ensuring both that they can get the care that they need to keep them safely outside hospital if necessary, and that if they come into hospital, they are seen by the right clinician at the right time and first time.

In announcing the award of £46 million for the new urgent care hub in the debate on 23 October 2019, the Minister said:

"My officials and NHS England will be in touch with the trust to discuss further details, in order to ensure that funds are released and that work starts on the project as swiftly as possible. I am conscious of the urgency that my hon. Friend the Member for Kettering highlighted."—[*Official Report,* 23 October 2019; Vol. 666, c. 31WH.]

That announcement was 20 months ago, and the hospital has still not had permission to draw down that funding. That is why my first ask of the Government is to grant permission for the funding to be drawn down so that the project can start.

I warmly welcome the Government's inclusion of Kettering General Hospital on the list of 40 hospitals for health infrastructure plan 2—HIP2—funding from 2025. That is important for Kettering, because 70% of the buildings on the main hospital site are more than 30 years old, and there is a maintenance backlog of £42 million. Some 60% of the hospital estate is rated as either poor or bad.

The hospital plan for the redevelopment of the hospital site as part of the HIP2 programme offers a phased approach over a number of years, with the extra ward space provided by this funding to be built on top of the urgent care hub. That is in contrast with a number of other hospitals in the HIP2 programme that are seeking all-in-one-go funding packages. The hospital is not asking for its HIP2 allocation in an up-front £350 million all-in-one-go lump sum. Instead, it is seeking a modular annual funding requirement for what would be a phased and value-for-money rebuild up to 2030. Surely, out of a £3.7 billion national hospital rebuild programme, providing just £6 million to the hospital this year to get the project started and £29 million next year is not beyond the wit of man.

I know that the Treasury is currently completing a commercial strategy for all the hospital rebuilds so as to standardise hospital redesign, secure key commercial efficiencies in procurement across the country and address digital and sustainability requirements. Kettering General Hospital is fully committed to those Treasury objectives. Value for money is extremely important in delivering the hospital rebuild programme across the country, and if Kettering General Hospital's innovative and sensible approach was matched with sufficient flexibility in applying the relevant funding streams from the Department of Health and Social Care and the Treasury, Kettering General Hospital could be an exemplar hospital redevelopment that others could follow.

I am using this debate to urge the Government—both the Department of Health and Social Care and HM Treasury—to do the sensible thing: dovetail the two presently separate funding streams for Kettering General Hospital so as to not only optimise value for money for the taxpayer but deliver sooner rather than later the urgent improvements at the hospital that all local residents need and wish to see.

7.37 pm

The Minister for Health (Edward Argar): I congratulate my hon. Friend the Member for Kettering (Mr Hollobone) on securing this debate about the redevelopment of Kettering General Hospital. I know that it is an incredibly important subject for his constituents and, therefore, for him. He is nothing if not a strong champion for the people of Kettering, as Ministers forget to their cost. He works tirelessly on not only this but many other local matters.

I should also highlight the interest in and passion for this subject of my hon. Friend the Member for Wellingborough (Mr Bone)—who remains a friend, despite him seeking to slightly pre-empt and constrain me today by asking a question of my boss, the Secretary of State, a few hours ago in the Chamber—and my hon. Friend the Member for Corby (Tom Pursglove). As my hon. Friend the Member for Wellingborough rightly said, due to his elevated position as a senior Government Whip, my hon. Friend the Member for Corby is unable to speak in the debate, but I know from the interactions and conversations I have had with him on many occasions just how passionate he is about this hospital project on behalf of his constituents. I can reassure his constituents that, while he may not be speaking in the debate, I have had many lengthy discussions with him, and I suspect that I will be hearing from him many times in the future—although, hopefully, if I can offer some reassurance to my hon. Friend the Member for Kettering, he may be slightly less vociferous in pursuing me on this matter.

I join my hon. Friend the Member for Kettering in paying tribute to the chief executive and the team at Kettering General Hospital for the amazing work they do. They have worked tirelessly throughout this pandemic for his constituents and those of my hon. Friend the Member for Corby, as they do day in, day out, year in, year out for the people who live in that area. It has been a pleasure to take a very close interest in this matter. As my hon. Friend the Member for Kettering knows through his experience in the House, it is sometimes very difficult to say no to him, which can get Ministers into trouble; he is extremely persuasive.

Turning to the substance of the debate, I am delighted that the rebuild of the Kettering General Hospital part of the foundation trust is part of our plans to build 48 new hospitals by 2030—the biggest hospital building programme in a generation. To kick-start the scheme, Kettering General Hospital NHS Foundation Trust has already received £3.7 million of seed funding to develop its plans for the rebuilding of Kettering General Hospital.

Before I turn to the urgent care hub, my hon. Friend the Member for Wellingborough highlighted that plans for that had been mooted, discussed and possibly even agreed before 2015—before my hon. Friend the Member for Corby and I joined this House. The difference, I would suggest, is that on that occasion there was no budget allocated to the trust. For the urgent care hub, there is a budget allocated to it now, following our announcement in 2019, which followed lobbying by my hon. Friend the Member for Kettering. That funding will help transform the provision of urgent and critical care in this area. As he says, £46 million has been allocated for that project.

My hon. Friend asks why it is that, 20 months on since that debate and that visit—I remember them well and I will turn to them in a moment—the money has not been fully drawn down. This is in no way a criticism, but I would say that that is because of the announcement of the new hospital programme and the fact that the trust has, quite rightly, changed what it would like as a

[Edward Argar]

result. Therefore, discussions have had to take place about how those two funding streams can be meshed together. I will turn to that in a moment.

As my hon. Friend mentioned, the urgent care hub and the new hospital that are to be built share a set of common enabling works that have been factored into the new hospital development. As he and his trust have requested, we have shown flexibility and agreed to mesh the two projects together if an appropriate way of doing so, including the funding, can be found. As a result, the trust is seeking to incorporate the urgent care hub delivery into the wider redevelopment of the site. That means that the UCH may now be part of the first stage of building the new hospital, but he rightly highlights how approaching this in a more holistic way than a "phase 1 and 2" approach provides opportunities and synergies for achieving better value for money. He has made that point to me and to others.

On the drawdown of funding, the £46 million is available, subject to business case approvals and how those two funding streams can be meshed together in a single project. On drawing down from the new hospital programme fund more broadly, we have a one-year spending settlement from the Treasury. Therefore, if we wish to start drawing down from future years funding and make commitments, that is a matter for the Treasury and a future spending review. My hon. Friend quite rightly highlights, as I expected he would, the need for a synergistic approach between the Department of Health and Social Care and Her Majesty's Treasury.

All of the new hospitals that will be delivered as part of the programme, including Kettering, are working with the central programme team, with the support of regional, system and local trust leaderships, to design and deliver their hospital in keeping with this approach. The central programme team and the new senior responsible officer, Natalie Forrest, who joined the team and took over its leadership at the beginning of this year, are working closely with the trust on the new build at Kettering and considering all the options currently on the table. I understand that they have had productive meetings, and I look forward to their having further productive meetings.

The programmatic approach will need to be carefully applied to these proposals, as for any other hospital in the new hospital programme, to see how we can best ensure value for money for the taxpayer through standardisation of design and the use of modern methods of construction, without unnecessarily constraining the ambitions of the trust's plans, in so far as that is possible. The central team, as I have said, will engage with trusts to maximise the application of these approaches to ensure that the scheme has manageable, realistic and, indeed, affordable costs. Funding discussions for these projects are ongoing, and final amounts will be determined through the established business case and Treasury processes.

To stray slightly from the central theme, as my hon. Friend will know—as, indeed, he said in his remarks—Kettering General Hospital NHS Foundation Trust also received £1 million pounds as part of the £450 million investment to help upgrade A&Es and to help the NHS respond to winter pressures and the risks of further outbreaks of coronavirus. That funding was used to support compliance with social distancing and infection prevention and control at Kettering.

On interactions and conversations with the trust, as I have alluded to, the senior responsible officer, Natalie Forrest, met the trust on 2 March for a bilateral roundtable with its senior leadership team to discuss its proposed plans for the build. I understand that those discussions were productive, and they are ongoing. I, too, met the trust in February, with the SRO, to discuss the plans for a new build at Kettering General Hospital. As my hon. Friend mentions, I was fortunate enough to visit the hospital in September 2019 to see for myself, and to be shown by him at his most persuasive, what the case for investment was. As he mentioned, I also had the pleasure of answering a Westminster Hall debate last October on the need for the urgent care hub being funded and built in Kettering, during which I also had the pleasure of confirming the funding, following on from the announcement and promise made by my right hon. Friend the Prime Minister to my hon. Friend. Today's debate is probably not the right time to discuss this, but I know that all three of my hon. Friends have highlighted the wider opportunities of combining health and social care for vulnerable adults in Northamptonshire.

Our ambitious programme to build 40 new hospitals by 2030 has confirmed funding of £3.7 billion at this point. That is an important and extremely positive start, but we continue to work with Her Majesty's Treasury on future funding for the whole programme, including for Kettering, and the profiling of the availability of that funding. That is not the reason I am not, at this Dispatch Box, being gently lured by my hon. Friend into a clear commitment today on firm profiling of financial allocations for Kettering at this stage; rather, it is because deciding the funding level for a project of this scale, at this early stage in the process, before full design, exploration or scoping is complete, would not be the most appropriate approach, although I take his point about, for want of a better way of putting it, the need for speed.

Our experience of Government projects and, specifically, the lessons learned from the early work of the Chancellor's Project Speed taskforce and from the experts in the Government's Infrastructure and Projects Authority tell us that confirming funding for large, complex projects too early, before all parties are fully agreed on the future approach, can put the project and its overall cost at risk. I am not in any way questioning the ability of my hon. Friend's local hospital trust to come up with a costed and extremely effective project plan, but it is important, as he would expect, that we are conscious of the need to ensure that we get value for money and the best outcomes for his constituents.

In conclusion, I pay tribute to my hon. Friend, and to my hon. Friends the Members for Wellingborough and for Corby, for the work they are doing to support the redevelopment of Kettering General Hospital. I know that my right hon. Friend the Secretary of State gave the commitment to my hon. Friend the Member for Wellingborough that he would meet him, and I know that he will honour that. I reiterate my commitment that if any point, on perhaps at a more detailed or granular level, my hon. Friend the Member for Kettering wishes to meet me or the SRO again, I am happy to do that. Perhaps as we see progress made in opening up our country again, I might be able to enjoy the pleasure of returning to Kettering to see him and his hospital trust in person. I look forward to continuing to work with him to making sure that this ambitious and innovative approach to building new hospitals is a success.

My hon. Friend is, rightly, incredibly proud of his team in Kettering. He and his colleagues have done a fantastic job of gently inducting me into quite how fantastic the team are and what is needed to get this project going. It was one of the first visits I made when I became a Minister holding this role, so I have a particular affection for that area—I am an east midlands MP, so I know it well. I hope that we will continue to be able to work hand in hand with his trust, the national programme and Her Majesty's Treasury to move this programme forward at pace. I know it is what he wants, but most importantly I know it is what his constituents would want and expect of us.

Question put and agreed to.

7.49 pm

House adjourned.

Westminster Hall

Tuesday 8 June 2021

[STEWART HOSIE *in the Chair*]

World Oceans Day 2021

Virtual participation in proceedings commenced (Order, 25 February).

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

9.25 am

Stewart Hosie (in the Chair): I remind hon. Members that there have been some changes made to the normal practice in order to support new hybrid arrangements. Timings of the debates have been amended to allow technical arrangements to be made for the next debate, so there will be a suspension between each debate. I remind Members participating physically and virtually that they must arrive at the start of the debates in Westminster Hall, and Members are expected to remain for the entire debate, although I am aware that one Member has to leave early for an important meeting, which is perfectly understandable.

Members are visible to each other at all times, whether attending physically or virtually. If Members attending virtually have any technical problems, they should email the Westminster Hall clerks at westminsterhallclerks@parliament.uk. Members attending physically should clean their spaces before they use them and as they leave the room. I would also like to remind Members that Mr Speaker has stated masks should be worn in Westminster Hall unless you are speaking. Members attending physically who are speaking in the latter stages of the call list should use the seats in the Public Gallery and move on to the horseshoe when seats become available, as they can speak only from the horseshoe, where there are microphones.

9.26 am

Selaine Saxby (North Devon) (Con): I beg to move,

That this House has considered World Oceans Day 2021.

It is a pleasure to serve under your chairmanship, Mr Hosie. The Earth is a blue marble. Over 70% of its surface is covered by water, and the algae that live on the surface account for more than 50% of the oxygen we breathe. So far, the ocean has absorbed one third of all human-created emissions, and regulates our climate. Our oceans are too big and too important just to be the domain of MPs like me, who are blessed with a constituency with a sea shore. The oceans are home to over a quarter of a million known species and another 2 million as yet unknown, and they are the main source of protein for more than 1 billion people.

United Nations World Oceans Day is a celebration of the potential of our sea, and this year's theme is life and livelihood. Globally, fishing supported some 39 million jobs in 2018, and the UK's fishing industry alone is worth almost £1 billion to our economy. In my North Devon constituency, many local businesses and families rely on the maritime economy, and we need to revert to sustainable fishing practices to ensure that we use those precious resources in the best way possible. Additional jobs, fish and associated economic benefit could be derived if our fish stocks were restored to their maximum sustainable yield.

Conservative Governments have led the way for the UK to become a global ocean champion, with our extensive network of marine protected areas. However, we could make use of our post-Brexit freedoms to ban bottom trawling. Research suggests that emissions from bottom trawling alone could be as high as those from all UK agriculture.

Why does that matter? Our seabeds are significant carbon stores, or sinks. When they are disturbed by bottom trawling or dredging, or even by anchors being thrown overboard, the stored carbon becomes resuspended in the water, and potentially escapes back to the atmosphere as CO_2. Over 200 million tonnes of this blue carbon are stored on the UK's ocean floor—a third more than is held in our stock of standing forests.

The role of coastal and marine habitats in drawing down carbon dioxide from the atmosphere and storing it in seabed, sediment, seaweeds, salt marshes and seagrass beds has been somewhat neglected. Increasing blue carbon habitats could result in a reduction of carbon in our atmosphere, while reducing the disturbance of the seabed ensures that it remains stored. As a Marine Conservation Society blue carbon champion, I believe that if we are to meet net zero by 2050, we must consider blue carbon part of the solution, not to mention integrating it in our carbon accounts. Along with other hon. Members, I recently wrote to Lord Deben, the chair of the Climate Change Committee, to ask him to look into the feasibility of making that happen.

My North Devon constituency is home to the first UNESCO biosphere, and today is the 50th anniversary of the Man and the Biosphere programme. Our world-leading biosphere conducts a wide range of ongoing projects, including those investing in seaweeds, seagrass and salt marshes. I am truly fortunate that I spend my weekends in and on the sea, surfing and gig rowing. I live and breathe the ocean. Sir David Attenborough's legendary "Blue Planet" brought the ocean to all our living rooms, and we now need to link that passion to action to ensure that it is there for future generations.

No wonder 85% of people in England and Wales consider marine protection important to them. Take whales, for example: not only are they delightful to watch when we are lucky enough to see them, but they are brilliant tacklers of climate change. Each great whale sequesters around 33 tonnes of carbon dioxide on average in their lifetime, which is equivalent to the carbon sequestration of almost 1,400 trees.

We need to ensure that we are all aware of the value of our oceans and what lives within them, and be aware that, while the benefits of rainforests are so widely taught, our oceans and blue carbon are absent from far too many curricula.

I am proud that the UK, through leading the Global Ocean Alliance and co-chairing the High Ambition Coalition for Nature and People, is pushing to protect at least 30% of the global ocean in marine protected areas and through other effective area-based conservation measures by 2030—the 30by30 target.

It is great news that this morning the Government have announced plans to pilot highly protected marine areas in English waters, creating sites where all activities

[Selaine Saxby]

that could have a damaging effect on wildlife or marine habitats would be banned. The independent Benyon review concluded that such HPMAs would have an important role to play in helping the marine ecosystem to recover. The Government have my full support in taking those steps.

Biodiversity is also crucial. With 90% of big fish populations depleted, and 50% of coral reefs destroyed, we are taking more from the ocean than can be replenished. As the UN states when referencing World Oceans Day:

"To protect and preserve the ocean and all it sustains, we must create a new balance, rooted in true understanding of the ocean and how humanity relates to it. We must build a connection to the ocean that is inclusive, innovative, and informed by lessons from the past".

Connect to the ocean we must. I frequently collect litter on our beaches and am horrified by the volume of plastics, microplastics and nurdles on North Devon's beautiful beaches. The tragic situation with the container ship in Sri Lanka last week—it caught fire and spilled its cargo into the ocean—has brought nurdles something of an unwanted fame, but it highlights the fact that we are indeed shipping those pellets around the world in containers that end up in our seas. Is that what we want? If not, what are we going to do to change it?

Plastic pollution is visible and tangible, and we feel we can do something about it by picking it up, but so much of what is going on in our oceans is not visible. Sewage pollution is another challenge along my constituency coastline. I was one of the MPs to support the Sewage (Inland Waters) Bill tabled by my right hon. Friend the Member for Ludlow (Philip Dunne), and I am delighted to see so much of it incorporated in our landmark Environment Bill, which yesterday received its Second Reading in the House of Lords.

I also hope that introducing the debate will reduce the pressure on my inbox, as I receive an abundance of emails from constituents linked to the Surfers Against Sewage campaign each time the water quality is reduced in North Devon. I very much hope further steps will rapidly be taken to reduce the discharge into our rivers, which ultimately reaches our oceans.

Blue carbon is part of the solution, not part of the problem, when it comes to achieving net zero. I hope that today's debate offers a chance to focus not just on what we have achieved, but on how much more there is still to do to restore our oceans and to optimise their link to our lives and livelihoods.

Stewart Hosie (in the Chair): Before I call Kerry McCarthy, I should say that colleagues will be aware that there are around 10 Back Benchers who want to speak. If Members take five minutes each, we will all get on great.

9.34 am

Kerry McCarthy (Bristol East) (Lab): It is a pleasure to see you in the Chair, Mr Hosie, and I congratulate the hon. Member for North Devon (Selaine Saxby) on securing the debate and on an excellent speech. I do not think there was anything in it with which I could disagree.

Sadly, World Oceans Day has increased in importance each year as our seas fall victim to the impact of climate change and our abuse of our planet's precious resources. Like the hon. Lady, I have signed up to be a blue carbon champion in this Parliament as part of the project run by the Marine Conservation Society and Rewilding Britain. I also support the WWF Ocean Hero campaign. I pay tribute to all those groups for their campaigning, along with the likes of Greenpeace, Sea Shepherd, Surfers Against Sewage, and Pew, to name but a few.

The challenges facing our oceans are huge and numerous. Rising temperatures, overfishing, ocean acidification, coral bleaching, bottom trawling, bycatch and extreme weather events are wreaking havoc on our ocean environments, threatening the rich biodiversity within them and the livelihoods of those who depend on the blue economy. The prospect of deep-sea mining is also deeply alarming. Our oceans' resources should be protected, not plundered, and I am pleased that we are proceeding with caution on that front, but I would be very concerned if, on the basis of the current evidence, any licences for exploitation were granted. I know that they are up for review soon, so I hope the Minister can offer us reassurance on that point.

As an island nation and with so much of the world's seas and oceans falling within our territorial waters, the UK should lead the way on the issue. We hear talk of ambition with the 30by30 target, but what we have in reality is marine protected areas that are little more than paper parks, as the review by the Environmental Audit Committee found in the previous Parliament. As with the Fisheries Act 2020, the Government have been actively stripping marine protections out of legislation. I welcome the Benyon review and the announcement on highly protected marine areas, but I am slightly cynical about what that will mean in practice. I hope it represents an improvement on the marine protected areas.

As the hon. Member for North Devon said, we need a proper commitment to outlawing destructive practices such as overfishing and bottom trawling, and we need sustainability to be put at the heart of our fisheries strategy, with the ramping up of monitoring and enforcement. The Government must also press forward with a ban on the detonation of munitions, as those detonations harm marine life, and the adoption of less damaging deflagration techniques. We need to think long term about ocean protection, setting out how we can reach net zero emissions in our marine activity and developing a blue carbon strategy to rewild our oceans, protect blue carbon stores and develop low carbon fisheries and aquaculture. I am glad that the Marine Conservation Society has called for exactly that today.

As chair of the recently formed all-party parliamentary group on small island developing states, I have been speaking regularly to nations that have contributed least to the changing of our climate, but which suffer the worst effects of that. Rising sea levels are an existential threat to many small island developing states, as are climate-related extreme weather events. Those nations rely heavily on the blue economy for food, resources and tourism, and they have been badly hit by covid and the closure of countries to tourism in the past year.

Small island states desperately need support for ocean conservation measures and climate change adaptation, including natural climate solutions such as restoring mangroves and coral reefs. During sessions of the group, it has been really interesting to hear that instead of giving money for the building of concrete sea barriers, it would be far better to rely on natural carbon solutions. Reforming access to climate finance and investing in the blue economy—for example, through debt-for-climate swaps and blue bonds—will be central to that.

This is a pivotal year for ocean protection with the convention on biological diversity, COP26, and the global ocean treaty being negotiated internationally. We know that our oceans have an immense capacity to heal themselves if they are given the space to breathe, but that requires us to be much bolder at home and abroad to ensure that those precious resources are protected and restored. When we talk about ocean protection, it is obligatory to talk about "Blue Planet", which, as I never hesitate to point out, was made by the BBC's natural history unit, based in Bristol. As Sir David Attenborough said last year:

> "We are at a unique stage in our history. Never before have we had such an awareness of what we are doing to the planet, and never before have we had the power to do something about that. Surely we all have a responsibility to care for our Blue Planet. The future of humanity and indeed, all life on earth, now depends on us."

9.39 am

Peter Aldous (Waveney) (Con): It is a pleasure to see you in the Chair, Mr Hosie, and I congratulate my hon. Friend the Member for North Devon (Selaine Saxby) on having the foresight to secure this important debate on World Oceans Day. Although the world's oceans are an enormous stage, they are all interconnected. Whatever happens in one place can have global implications. If someone somewhere gets it wrong and manages a particular fishery or coastline irresponsibly and recklessly, everyone can suffer, but if we get it right somewhere, in however small a way, there is the potential to spread benefits, opportunities and good practice around the world.

My apologies, Mr Hosie, but I am going to be parochial, in that the focus of much of what I will say is on, in or off my own backyard—the UK waters of the East Anglian coast. In October 2019, the East Anglian fishing industry came together with local councils, Seafish and the New Anglia local enterprise partnership to produce the Renaissance of the East Anglian Fisheries report. With Brexit about to happen, the report made recommendations as to how to revitalise the local fishing industry.

Some of those proposals have had to be revised as a result of the outcome of Brexit negotiations, which were a disappointment to so many. However, Brexit provides the opportunity to manage our own waters in a better, more responsible way, and I will briefly highlight five areas where we can do that for the benefit of the marine environment and local people in coastal communities.

First, we need to review our marine governance arrangements. The UK has a complicated, multi-layered and multi-bodied system of marine management. That often leaves fishermen annoyed, frustrated and irritated as they find themselves being inspected by different officials from different bodies carrying out the same checks for the same reasons within days of each other.

Secondly, we need to put in place a comprehensive marine planning system that enables us better to manage the many activities that take place in UK waters. Those waters are becoming crowded places with many competing and conflicting uses—for example, wind farms, cables, marine protected areas, extraction of aggregates, capital dredging, the disposal of sediments, and a wide variety of fishing activities. The UK was one of the first countries in the world to legislate for a comprehensive marine planning system that would enable us better to manage those often conflicting uses. However, there is much work to be done and our exit from the EU gives us the opportunity to get on and do it.

Thirdly, fisheries management and marine conservation must be properly integrated in the marine planning system. Until now, that has not been possible as both were part of the EU legislative framework. Thus, we have a disjointed management system that is out of step with the UK's ambition to be a global leader in marine conservation and marine management.

Fourthly, we need a system that better understands and better manages the impact of displacement, which can have devastating consequences for the marine environment, small-scale fishermen and coastal communities.

My final point is that we should do something different. We should involve the fishing industry—fishermen—in decision making. The sustainable future of the fishing industry depends entirely on healthy fish stocks. Fishermen have unparalleled local knowledge, and it makes sense to work with people with knowledge. To involve them in decision making would be in keeping with the spirit of World Oceans Day.

9.43 am

Tonia Antoniazzi (Gower) (Lab) [V]: It is an honour to serve under your chairship, Mr Hosie, and I thank the hon. Member for North Devon (Selaine Saxby) for securing and leading this important debate to consider World Oceans Day.

I am the Member of Parliament for Gower, and I am very proud of the Gower peninsula and all it has to offer. A precious and diverse seabed surrounds the peninsula—we must consider that on World Oceans Day, and work with our fishing industry—and the Gower constituency is renowned for its salt marshes, its cockle beds and its environment.

When we talk about plastics pollution, it is important to consider the many organisations that help to keep our beaches and our seabeds clean, as well individuals, such as young Sonny in my constituency, and community groups such as Pennard Community Council, which go out and keep their precious areas clean. They are to be commended for their hard work, but the Welsh Labour Government are also to be commended, because it is so important that we work together across the four nations to protect our seabeds. The UK marine strategy is already backed up by secondary legislation and works across all four nations; however, in its current state, it is no longer fit for purpose. There is a focus on indicators rather than action, and insufficient accounting for the increase in the effects of climate change on our seas. This year, the United Kingdom has a prime opportunity to set a new mandate for our marine strategy: to restore and safeguard declining coastal ecosystems and to demonstrate global leadership in ocean recovery.

I, along with many other politicians, support the Ocean Hero programme: it was really important that we were there to speak to the World Wild Fund for Nature

[Tonia Antoniazzi]

about the problems that we have on our seabeds. We have to take control now, and understand that we have to change to move forward. "Blue Planet", as many have mentioned, was an eye-opener for so many people, sitting in their armchairs and watching the world around us. We have to look after our seabeds, and I totally support what the hon. Member for North Devon has said in today's debate. I will draw to a close and say thank you very much, Mr Hosie.

9.46 am

Steve Double (St Austell and Newquay) (Con): It is a pleasure to serve under your chairmanship, Mr Hosie, and I congratulate my hon. Friend the Member for North Devon (Selaine Saxby) on having secured this important debate on World Oceans Day. I count myself incredibly lucky that I have been able to see the sea from every house I have lived in, over my whole life—occasionally I had to stand on tiptoe from an upstairs window to be able to see it, but I have always lived in sight of the sea. Some of my happiest memories, both of my childhood and of raising my own family, are of days spent on or beside the water. I grew up with an amazing awareness of what an incredible place the sea and our oceans are, but also with a deep respect for them: not only are they a great place for fun, enjoyment and leisure but they contain incredible power and can, at times, do incredible damage. It is therefore absolutely right that we have this day once a year to remember our oceans and focus on them, and to remind ourselves what a major role they play in our lives and our natural environment.

The UK, as a proud island maritime nation, has always played an important role in global affairs relating to the sea, and it is right that we continue to play a global leadership role now. As others have already said, the UK cannot deal with all of the issues that affect our oceans on its own: it is going to take global co-operation, and it is good and right that the UK plays a leadership role in bringing that together. For far too many years, we tended to see the ocean as this great big dumping ground that we could pour raw sewage into and let our waste end up in, because it was big enough to cope; it would manage; the waste would not have much effect.

However, thankfully, in more recent times we have changed that view, and have come to realise the incredible damage that we were doing to our oceans. As others have mentioned, the BBC's "Blue Planet" programmes with David Attenborough really brought home to the British public the damage we were doing, and how we needed to change our ways. I am glad that that is happening. Since I was first elected to this place in 2015, I have had the honour of chairing the ocean conservation all-party parliamentary group—which was previously called Protect Our Waves—and working particularly closely with Surfers Against Sewage and other organisations, such as the Marine Conservation Society, to continue to press in Parliament for more action.

In the time I have left, I would like to mention a couple of areas in which I believe we are making progress, but we need to go further; the first is with regard to plastics. We have all been shocked to learn just how much plastic there is in our seas and oceans. The stat that really brought that home to me, which I read some time ago, was that if we did not change our ways by the year 2050, there would be more plastic than fish in our seas. It is good to see the action that is being taken, both by Governments and by other organisations, such as the million mile beach clean that recently took place, through which thousands of tonnes of waste were removed from our beaches. However, we cannot go on relying on beach cleans for ever. We have to address the source, and stop putting as much plastic waste into the seas. That is where a deposit return scheme will play an important part in increasing recycling rates. I am delighted that the Government are committed to that, though we are all a bit disappointed that it is going to take a year longer than we hoped. Let us take that year and ensure that we get a world-beating deposit return scheme; that is the best we can do to increase recycling rates and reduce the amount of plastic thrown away to end up in our oceans.

The other issue I want to touch on is that of sewage discharged into our seas. It is the reason Surfers Against Sewage began their campaign 30 years ago. We have made great progress, but we still need to go much further. Raw sewage is still far too often discharged into our waterways, ending up in the sea, or is discharged directly into our seas.

I welcome the Government's agreement to adopt new measures in the Environment Bill that will better enable us to hold water companies to account, but we need to ensure that the legislation has real teeth to hold them to account and take the necessary action to stop discharging raw sewage into our seas. I plead with the Minister to ensure that the Environment Bill enables us to do that in an effective way. I am delighted to have made this short contribution to today's debate. Let us all continue to work together and provide global leadership, particularly in this year when the G7 summit and COP26 are being held in the UK, to ensure that we work together around the world to nurture and protect our oceans.

Stewart Hosie (in the Chair): We have had a couple of late withdrawals so colleagues can now take up to six minutes.

9.51 am

Patricia Gibson (North Ayrshire and Arran) (SNP): I am very pleased to participate in this debate. I echo the thanks to the hon. Member for North Devon (Selaine Saxby) for her excellent exposition of the challenges before us. World Oceans Day supports the implementation of worldwide sustainable goals and fosters public interest in the protection of the ocean and the sustainable management of its resources.

The Scottish Government are committed to conserving our marine environments and protecting natural biodiversity. Evidence of that is that the first no-take zone—the first marine protected area—in the United Kingdom was established in Scotland, in Lamlash bay on the beautiful Isle of Arran, in my constituency. It was established in 2008, one short year after the Scottish Government first took office, after previous successive Governments had failed to offer the necessary support for that to happen.

Thanks to work of the Community of Arran Seabed Trust—or COAST, as it is known—supported by local MSP Kenneth Gibson, no shellfish or fish can be taken from Lamlash bay's waters or seabed, including the shore area. The University of York found last year that, far from being a paper park, the action of creating this marine protected area had transformed the ecosystem. This no-take zone has been lauded as a great success. What has happened in Lamlash should serve as a template for other marine protected areas.

There is no doubt that human activity has had a significant impact on our seas and oceans. I refer hon. Members to the rapid decline in shark populations on a global scale, because humans have replaced them as the oceans' top predators. There was an interesting debate here on that issue yesterday. The shark population is being severely impacted by the horrific practice of shark finning, the process of slicing off a shark's fin and discarding the rest of the still-living animal into the ocean. Unable to swim, it sinks to the bottom and dies a slow and painful death. So much for shark fin soup and other shark fin products. Sharks are essential to healthy oceans for a number of reasons, which I do not have time to go into.

The ocean is home to most of the earth's biodiversity, but human activity is threatening its ecosystem. We all know of the great damage being caused in the seas by sea blasts, a dreadful legacy of war. The way we dispose of munitions is hugely detrimental to our seas and the sea creatures that live in them. It does not have to be that way. We know that low order deflagration is an effective and much less environmentally damaging alternative.

On World Oceans Day, let us all give more thought to the good we can do as a species by reducing our extractive and destructive activity in the seas and oceans, and how we can perhaps repair some of the damage we have done by letting the ecosystems of our oceans recover, repair and regenerate, free from our interference or with much less interference from us. The oceans and seas, like the world, do not belong to us. We have inherited them, just as future generations will go on to do. Sometimes, I think we can forget that.

COP26 provides us with an opportunity for fresh impetus on that and so many other environmental issues globally. We need to ensure that we are sharing expertise to promote and protect natural habitats, clean up our oceans and work with international partners for better commitments to climate action to make sure our oceans and seas are sustainably managed and biodiversity is conserved. Let us try and leave our seas and the natural world in better shape for future generations. What has happened in Lamlash bay is a tiny snapshot of what we can do as a species if we have the political will. That, surely, is our duty.

9.56 am

Cherilyn Mackrory (Truro and Falmouth) (Con) [V]: It is a pleasure to speak under your chairmanship, Mr Hosie. I congratulate my hon. Friend the Member for North Devon (Selaine Saxby) on securing the debate as we celebrate World Oceans Day. The topic is extremely important to my constituents in Truro and Falmouth, as well as to wider Cornwall. It is also one of the reasons I came into politics. My constituency has a north and a south coast. We have the gentle, rolling and calm inlets of the south coast, including the port of Falmouth, Portloe and Portscatho, and the dramatic wind-whipped surf beaches of the north coast, including St Agnes, Perranporth and Holywell Bay. St Agnes is home to Surfers Against Sewage, and I thank them for their tireless campaigning.

If you speak to anyone who swam or surfed in the sea in the 1980s and early 1990s, we all have stories of looking down and seeing—how shall I describe it?—objects and matter that had gone straight down the loo and into the sea. Things are generally better nowadays, thank goodness. According to the Marine Conservation Society, 77% of people who visited the sea in the last 12 months said they felt happier and 81% of people who visited the sea in the last 12 months said they felt healthier.

Healthy oceans are vital to life and to the livelihoods of our planet. Ocean protection and the conservation of marine biodiversity are essential for building resilience and adapting to the impact of climate change, as well as supporting its mitigation. Falmouth Harbour Commissioners are actively regenerating the seagrass beds off Flushing, and I went to visit them recently. They are also developing an advanced mooring system to ensure yachts and boats continue to moor there, but that the lines and anchor chains no longer decimate the seagrass beds.

Marine protected areas need to be effectively managed and well resourced, and regulations need to be put in place to reduce overfishing, marine pollution and ocean acidification. Effective management of the oceans, both locally and globally, is fundamental to the future of Cornwall's fragile but sustainable inshore fishing industry, and I want to echo the comments made by my hon. Friend the Member for Waveney (Peter Aldous) about the need to simplify and overhaul our current complicated management system.

I am extremely pleased that the UK has led the way in efforts to secure an international agreement to protect at least 30% of global oceans by 2030. I also welcome the fact that the Government are playing a leading role in negotiations for a new agreement on conservation and sustainable use of marine biological diversity in areas beyond national jurisdiction through the BBNJ agreement. Further commitments are also welcome, including the new £500 million blue planet fund to support developing countries to protect the marine environment and reduce poverty as part of the UK's commitment to spend at least £3 billion on international climate finance and to protect and restore biodiversity over the next five years. There will always be more that we can do, but we should not underestimate the achievements so far.

Turning to the wider point of water quality, we know that it is essential for life on planet Earth. The pollution of our rivers and oceans has had a huge detrimental effect on us and our wildlife. Thankfully, because of the extensive lobbying by my right hon. Friend the Member for Ludlow (Philip Dunne), the Chair of the Environmental Audit Committee, the Government have committed to publishing a plan by 2022 to reduce sewage discharges, to report to Parliament on progress and to place a legal duty on water companies to publish data on storm overflow operations on an annual basis. The legislation will also require the Government to set legally binding targets for water quality.

The earth is warming at a very worrying rate. Increasing ocean temperatures affect all marine life, causing coral bleaching and the loss of breeding grounds for fish and mammals. They affect the things that we rely on from the ocean, threatening our fish stocks, as I mentioned earlier, causing more extreme weather and accelerating coastal erosion.

[Cherilyn Mackrory]

I am delighted that the Government are accepting the recommendations of the Benyon review and intend to designate highly protected marine areas as soon as possible. I hope the Minister will assure us that, as we host the G7 in Cornwall this week and COP26 in Glasgow later this year, there is a real push for ambitious and accelerated action to improve the quality and biodiversity of our oceans.

10 am

Theresa Villiers (Chipping Barnet) (Con): It is a pleasure to serve under your chairmanship, Mr Hosie. I must apologise to you and to the Minister that I will miss the end of the debate because I have a Committee clash.

I thank my hon. Friend the Member for North Devon (Selaine Saxby) for securing a debate on our oceans. We are an island nation; the seas surrounding us have shaped our history and helped to make us who we are, so it is appropriate that we gather here today on World Oceans Day. Our mariners sailed the wide oceans for centuries, bringing back wealth and knowledge and building an empire that once covered a quarter of the surface of the planet. The islands and territories that remain of that once powerful empire mean we have a responsibility for a massive ocean estate, much of it far from our own shores.

Of all nations, we island dwellers have a responsibility to safeguard the marine environment. Our hearts should bleed at the thought of dolphins drowning after becoming entangled in discarded packaging, turtles choking on plastic bags that they mistake for jellyfish, or birds trying to feed plastic to their hungry chicks. The facts are disputed, but the Department for Environment, Food and Rural Affairs estimates that around 12 million tonnes of plastic enters our oceans each year. We have a moral duty in this House to take action.

This Conservative Government are doing more than any Government ever before to address the pollution tragedy. We were one of the first countries in the world to introduce a wide-ranging ban on microbeads in personal care products. Our bag charges have caused the use of plastic bags to plummet. Our deposit return scheme should mean that millions of bottles are returned for recycling, not casually cast away. Our plan for extended producer responsibility will mean that companies that benefit from plastic packaging should pay the cost of its disposal. If correctly constructed, that should provide a strong incentive to cut down on unnecessary use of plastic, ensure more packaging is reusable or recyclable and create a new income stream to help clean up our streets and oceans. Our manifesto commitment to bring an end to waste exports outside the OECD will mean taking greater responsibility for our own waste, dealing with it back here at home.

There is so much more to do, so I appeal to the Minister to try to make progress as soon as possible on the deposit return and the EPR schemes. It is three years since they were first announced, and we need to get them into operation. We have led the debate at a global level on marine conservation, as other hon. Members pointed out, through initiatives such as the Commonwealth Clean Ocean Alliance. Now, we have an unprecedented opportunity to use our presidencies of the G7 and COP26 to push for urgent global action to protect the rich biodiversity of our seas. The COP21 conference in China on biodiversity must also have a strong emphasis on ocean recovery. Future generations will judge us on whether we succeed or fail in meeting the great environmental challenge that we are considering. We must strive to pass the test.

10.4 am

Virginia Crosbie (Ynys Môn) (Con): It is an honour to serve under your chairmanship Mr Hosie. It is a pleasure to speak in this important Westminster Hall debate on World Oceans Day. I congratulate my hon. Friend the Member for North Devon (Selaine Saxby) on securing this important debate and on her excellent speech. As we are an island constituency, we on Ynys Môn understand more than most the importance of our healthy oceans. Healthy sea waters are critical to fishing and agriculture businesses such as Holyhead Shellfish, and vital to our tourist trade, with operators such as Seacoast Safaris taking visitors to see the dolphin, porpoise and seal populations that flourish locally. Our island waters are clean enough to support breeding seahorses at Anglesey sea zoo.

When we are considering how our oceans can help us achieve our net zero targets, there is a focus on renewable marine energy production, such as that being developed by businesses like Minesto and Morlais based on Anglesey, but in this year of COP26, we should also be focusing on the contribution that blue carbon can make to achieving those targets.

Blue carbon is the carbon dioxide removed from the atmosphere by our ocean ecosystems. Anglesey is rich in a range of marine environments, including salt marshes, sand dunes, mudflats and areas of seagrass. All are significant sequesters of carbon. Large stretches of coastline in areas such as Cymyran, Newborough and Aberffraw are prime examples of these diverse landscapes. We host two marine protected areas in the Menai strait and the Anglesey coast salt marsh. Groups such as the Friends of the Isle of Anglesey Coastal Path actively clean, monitor and protect our coastline and it is extensively used by the School of Ocean Sciences at Bangor University for study and research. Using their knowledge and experience, we can preserve and rebuild these critical resources so that they can contribute to our 2050 targets.

At least 113 million tonnes of carbon are already stored in the top 10 cm of the Welsh marine environment, which equates to almost 10 years' worth of Welsh carbon emissions. It represents more than 170% of the carbon held in Welsh forests. It is even estimated that the amount of carbon sequestered by the Welsh marine environment every year is equivalent to the average annual fuel consumption of 64,000 cars. That carbon is held in a number of different ways, but it has been shown that salt marshes have the highest carbon burial rate per unit area compared with other blue carbon habitats. Studies also show that intertidal mudflats and seagrass foliage account for much higher rates of carbon sequestering than previously thought. For example, seagrass covers only 0.1% to 0.2% of the global ocean floor, but is responsible for between 10% and 18% of the total carbon storage in the ocean.

However, the Blue Carbon Initiative, which includes representation from Bangor University, estimates that, worldwide, between 340,000 and 980,000 hectares of coastal blue carbon ecosystems are being destroyed annually. It is vital that that trend is reversed. Natural Resources Wales has recently carried out extensive restoration of sand dunes in Newborough and it actively monitors areas such as the Cefni salt marshes. Such projects, which restore intertidal and shallow subtidal habitats and protect the features that allow them to flourish, would yield the greatest per unit area benefit in terms of increased carbon sequestration.

I urge the UK and Welsh Governments to take account of the contribution that can be made by our marine environment towards neutralising our carbon emissions, and encourage them to invest in extending, enhancing and improving these critical but fragile environments.

10.8 am

Jim Shannon (Strangford) (DUP): I thank the hon. Member for North Devon (Selaine Saxby) for setting the scene so well, and for requesting the debate, the granting of which gives us all the opportunity to contribute. It is a pleasure to follow the hon. Member for Ynys Môn (Virginia Crosbie)—I am not sure of my pronunciation, but that is how we say it in my neck of the woods. It is always a pleasure to follow the hon. Lady; I would probably book a holiday in her constituency, as every time I hear her talk of it, it sounds such a wonderful place.

As a keen conservationist and a lover of nature, I am happy to celebrate this day with other UN nations and members. I have lived all but four years of my life close to the water. My parents came from the west of the Province; my father was from Donegal and my mother was from Strabane, in County Tyrone. We moved east to a village called Ballywalter, in the very east of Northern Ireland. So all my life—bar four years—has been spent living alongside the beach and the sea. My mum and dad always had a fascination and love for the sea, which is why they went there. That was where they were able to relax and it is where we played and had fun as children, many years ago. That was not yesterday, by any means; it is a long time ago. However, that was our introduction to the beach and the sea.

I therefore know and care about the imperative nature of the ocean; it is imperative even to those of us who are probably really landlubbers but live close by the sea. I live between Greyabbey and Kircubbin on the Ards peninsula; the sea is as close to me as Westminster bridge out there is to Parliament. The Irish sea, on the other side of the peninsula, is only five minutes away. I believe that I have a wonderful appreciation and understanding of the part played in our daily lives by the raging seas. I see them as being fascinating and reassuring, and—believe it or not—I also find them quite calming.

I was not surprised to learn that the ocean produces at least 50% of the planet's oxygen. It is home to most of Earth's biodiversity, and seafood is the main source of protein for more than a billion people around the world. Nor did it come as a shock to me to read in the wonderful briefing paper produced by the Library—it does some incredible research for us—that it is estimated that by 2030, there will be 40 million people employed in ocean-based industries.

Nevertheless, I believe that we are yet to understand the depth of the majesty of the ocean and the potential that lies within that depth. The writer of Psalm 104 put it beautifully:

> "O Lord, how manifold are your works!
> In wisdom have you made them all;
> the earth is full of your creatures.
> Here is the sea, great and wide,
> which teems with creatures innumerable,
> living things both small and great."

How well that is put in the Bible, in Psalm 104.

The potential of the ocean is both untapped and unfathomable. However, what is clear is that we must make a better job of harnessing the seas and, first, of protecting them. I have seen images of the destruction of our seas by our carelessness, which have caused me great distress and have distressed other Members too. As other Members have said, it is past time that we channelled our inventiveness and energy into seeking to repair that which we have so thoughtlessly damaged in the past. I say "we" because it is the people of this Earth who have done it.

I was delighted when my own local council, Ards and North Down Borough Council, invested in the first sea bin in Northern Ireland, as an innovative way of hoovering the surrounding seas for our rubbish. A sea bin is a floating rubbish bin made of natural fibre that moves up and down with the tide, collecting floating rubbish. Water is sucked in from the surface and passes through a catch-bag outside the sea bin, with a submersible water pump. Water is then pumped back into the sea, leaving litter and debris trapped in a special catch-bag, so that it can be disposed of properly, as it should be.

Sea bins can collect up to half a tonne of debris each year and have the potential to collect a percentage of the oils and other pollutants floating on the water surface. A sea bin is a small but an effective thing, and it shows that if there is a mind to do something, we can do it. My council has purchased three sea bins, but how sobering it is to think of the vast number of sea bins that would be needed to put even a small dent into the waste that lines our oceans. Nevertheless, if we all play a small part, then collectively all our small parts become a great part and we can make a difference.

It is for this reason that I absolutely support the Government commitment to establish a new £500 million blue planet fund, using overseas development assistance to support developing countries, protect the marine environment and reduce poverty. It will also contribute to the UK's commitment to spend at least £3 billion of international climate finance to protect and restore nature and biodiversity over the next five years. Unfortunately, that is a drop in the ocean—to use a pun—compared with what needs to be done, but it is a start.

I am always reminded of the story of the starfish. I will conclude by telling it:

> "One day a man was walking along the beach when he noticed a boy picking something up and gently throwing it into the ocean.
>
> Approaching the boy, he asked, 'What are you doing?'
>
> The youth replied, 'Throwing starfish back into the ocean. The surf is up and the tide is going out. If I don't throw them back, they'll die.'
>
> 'Son,' the man said, 'don't you realize there are miles and miles of beach and hundreds of starfish? You can't make a difference!'
>
> After listening politely, the boy bent down, picked up another starfish, and threw it back into the surf.
>
> Then, smiling at the man, he said… 'I made a difference for that one.'"

[Jim Shannon]

That is what we can all do—each one of us can make a difference individually, and by working collectively, in our own way. If we all took that attitude and did what we could, this debate would be a very different one in 10 years' time. Then we could all be very thankful, because we are doing this not for ourselves but for our children, our grandchildren and for the world as a whole. We can note the difference that is made, if each of us would reach down and give it our best throw.

10.15 am

Deidre Brock (Edinburgh North and Leith) (SNP) [V]: It is a real pleasure to serve under your chairship, Mr Hosie. I congratulate the hon. Member for North Devon (Selaine Saxby) on securing this important debate.

I will touch briefly on some of the excellent contributions so far in the debate, starting with the hon. Member for Bristol East (Kerry McCarthy), who made a characteristically thoughtful contribution. An interesting point for me was her comment that the UK should be leading the way on the issue, given its history and its maritime experiences over the years. She highlighted the danger of marine protected areas being only paper parks. That is a concern I share. She also noted the stripping out of marine protections from legislation by the UK Government, and she expressed a certain amount of cynicism about what that all means in practice. I am afraid that I share that cynicism. She said that this is a pivotal year for ocean protection, but ended by pointing out that the capacity for oceans to heal themselves is known, and will hopefully be sought and achieved.

The hon. Member for Waveney (Peter Aldous) spoke of our oceans as increasingly crowded places, with many often competing activities. He made an excellent point about the importance of involving and consulting fisherfolk in decisions about marine planning. I absolutely agree with that.

The hon. Member for Gower (Tonia Antoniazzi) mentioned the power of the documentary series "Blue Planet" and the effect it has had of raising consciousness about the importance of the protection of our blue environment.

My hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) mentioned that the first marine protected area to be established in the UK was in Scotland, in her constituency of course, and she highlighted the dreadful plight of sharks mutilated for food, and in particular the plight of cetaceans affected by sea blasts.

I read many years ago, as a child, a kind of science fiction book about a time traveller who came back from the future to warn our world about the polluting materials we were dumping in our seas, which were poisoning all forms of sea life in his time. It was a long time ago, and I was only nine or 10 years old, but it had a really powerful effect on me. I look back on it, and it started a life-long awareness of what the long-term impact could be of the decisions we take now on the environment of the future. I recall that there was a happy ending to the story, in which an intrepid youngster took on the authorities—along with the time traveller—and saved the day. Unfortunately, that is only the stuff of storytelling. We will get no such second chance, unless time transportation novels like that reveal themselves one day to be predictions and not simply fantasy.

This is the predicament we face on World Oceans Day: a legacy of centuries of abuse of our precious blue environment. I welcome the opportunity to raise awareness of it. For too long, we have treated our oceans with an almost casual disregard, too often thinking, "Out of sight, out of mind." I have done quite a bit of research into the subject, and have looked into the impact of millions of tons of munitions dumped into our seas since at least the end of world war one, with their long lists of dangerous gases, chemicals and radioactive materials. Too many parts of our seas are off limits to fishers, following the haul-up from the sea floor of a lethal weapon. The offshore wind industry is now being presented with problems around the safe removal of those munitions, including—as was mentioned by my hon. Friend for North Ayshire and Arran—decommissioning blasts and their effects on cetaceans, as was highlighted by Joanna Lumley in the campaign on that issue. That is not to mention the Boris bridge to Northern Ireland across Beaufort's Dyke, with its discarded cocktail of who knows what. Dumps like these are properly the responsibility of the Ministry of Defence, which deposited the vast bulk of them over the years, and I will certainly continue to press the issue until some resolution is found, hopefully well before it contaminates our oceans any further.

The issue is not, of course, just about what has been put into our oceans over the years; it is also about the impact of the great increase we have seen in recent years of activity on our waters, and what that is putting into our air. The disaster of Brexit will see increased UK reliance on foodstuffs shipped from many thousands of miles away, resulting in increased food miles and emissions. Perhaps the Brexiters thought the collapse of the fresh seafood produce market that exported daily to Europe would compensate for that in some way; perhaps they did not take any of it into consideration at all, which, frankly, seems more likely.

There are increasing concerns being raised by Governments and residents about the impact of shipping emissions on the populations of coastal areas, in ports such as the Port of Leith in my constituency. Shipping accounts for 3% of global emissions and emits around 1 billion tonnes of greenhouse gases every year. I recognise that this is not a simple issue to resolve, but solve it we must.

I am pleased to see the UK Government finally following Scotland's lead and the Climate Change Committee's recommendations by incorporating its share of shipping emissions into its new carbon budget, but they need to go further and faster if the UK is to reach at least its net zero commitments by 2050. This year, as they host COP26, I hope the Government are looking to other countries as well as Scotland for inspiration for the sort of bold steps they could consider in the fight against global warming.

In California, decisions taken on the reduction of shipping pollution require ships to use low-sulphur fuels and to cease dumping acidic water and heavy metals into the sea. Last year, it also introduced rules that mean stringent emission standards for diesel trucks servicing dock areas, which will require more ships to plug into electric power when docked.

The EU is considering legislation that mandates the use of sustainable fuels on ships calling into European ports. I believe that this is the first transport mandate of its kind, as it targets users rather than fuel suppliers and manufacturers, therefore preventing ships from simply refuelling outside the EU's boundaries.

The US is considering introducing a programme that will monitor, report and verify emissions for ships coming into US ports. China has established a domestic emission control area, with all ships docking at ports within the area switching to low-sulphur fuel. Some local governments there are offering shipowners incentives to retrofit ships with electric or liquefied natural gas propulsion, and they have invested in power infrastructure at seaports.

It seems to me that there is an unstoppable momentum building behind such proposals. The UK really should step up and show that it is at least giving serious consideration to bold steps, or it risks further compromising its international standing and reputation. There are reasons to be optimistic in some areas as technology improves—for instance, the testing of the world's first hydrogen-powered ferry in Orkney. Such pioneering efforts show that successful alternatives to dirtier fuel are possible.

With regard to the enormous problem of ocean pollution already touched on by several Members, there is still much to be done. However, the Scottish Government have shown what can be achieved with the necessary political willpower and guts, by leading the way on a deposit return scheme that is soon to be implemented and on plastic issues such as microbeads and plastic-stemmed cotton buds. Our national marine plan and the 36 new marine protected areas created, including the largest MPA in Europe, are further welcome developments.

However, there is much more to be done if we are to meet our ambitious targets for greenhouse gas reductions, which are some of the toughest in the world. I welcome the news that the Scottish Government will be appointing environmental champions—world experts to keep Scotland at the forefront of tackling the ecological emergency and ecological decline.

I am a big fan of nature-based solutions, and I am concerned that they are too often overlooked in favour of new technologies. These might appeal to the techie types among us, but they are currently so expensive, and so far off being able to play a significant role in carbon reduction at this stage of development, that their promise appears remote and almost impractical. Therefore, practical and relatively inexpensive solutions such as improving salt marshes, seagrass beds and mangrove areas could play an important role in carbon dioxide mitigation. The Marine Conservation Society suggests that these potentially amount to 5% of the emission savings needed globally, even before taking into account the carbon stored in marine life and the enormous stores of carbon contained in seabed sediments.

Unless we see genuinely co-operative efforts from Governments across the world to address and solve the problems we face, those who come after us will curse us for timorously tinkering around the edges and leaving them with a toxic legacy. Scotland is ambitious for its seas, its coast and its communities, and it recognises the vital importance of reaching out to and working with other countries.

Climate change is a global issue, and we all have to work together on it. Where Scotland misses out most is by not having its own voice in the discussions about what needs to be done; we do not have the same opportunities to try to persuade the international community of the need for proper action. A case in point is COP26 in November: although it is on our turf, we cannot take part in it properly; we cannot engage in the diplomatic efforts which really make these conferences tick.

We urgently need action now. We cannot wait for a time traveller to come back in time to rub our noses in the disastrous long-term effects of decisions caused by our ignorance and negligence. We want a Glasgow agreement at COP26 in which all countries commit to taking the action needed to tackle the climate emergency. I urge the UK Government to take their responsibilities seriously and work with others, including the Scottish Government, to achieve that.

It is really good to see World Oceans Day being celebrated in this way, to reflect on the impact of humankind on our oceans, and to recognise that the time to take action is now. There is no time to waste.

10.26 am

Olivia Blake (Sheffield, Hallam) (Lab): In is an honour to serve under your chairship, Mr Hosie. I congratulate the hon. Member for North Devon (Selaine Saxby) on securing this important debate on World Oceans Day. As she, my hon. Friend the Member for Bristol East (Kerry McCarthy) and the hon. Member for Ynys Môn (Virginia Crosbie) highlighted, the world's oceans cover 70% of the planet and could be one of the most effective carbon sinks if they are looked after properly. Oceans not only host an abundance of biodiversity, known and unknown, but they absorb 25% of all CO_2 emissions—50% more than the atmosphere—and store more carbon than all the rainforests combined. Closer to our shores, coastal waters in the UK store an estimated 205 million tonnes of carbon, as several hon. Members highlighted.

Protecting our oceans is fundamental to our fight against the climate emergency. We heard from my hon. Friend the Member for Gower (Tonia Antoniazzi) about the action by local volunteers to keep beaches clean, and from the right hon. Member for Chipping Barnet (Theresa Villiers) about the greater efforts needed to tackle plastic waste to protect marine mammals, birds and fish. The hon. Members for St Austell and Newquay (Steve Double), for Truro and Falmouth (Cherilyn Mackrory) and for Strangford (Jim Shannon) spoke about our fantastic coastal communities and the horrific threat of damage from sewage and waste. Will the Minister set out what actions and plans there are to address and end the pollution of our seas by plastic and sewage waste?

Protecting our oceans is fundamental to our fight against climate change, and it is really important to look at this globally. Salt marshes and seagrasses are a huge carbon store, holding almost 450 million tonnes of CO_2 per year—half the emissions of the entire global transport system. Experts believe that rewilding key marine ecosystems is absolutely necessary and that around the world they could lock away 1.8 billion tonnes of carbon each year—5% of the savings needed globally to avert climate catastrophe. However, in the UK we have lost 90% of our seagrass meadows to pollution, dredging, bottom trawling and coastal development. If we continue

[Olivia Blake]

business as usual, our sea shelf sediments could release 13 million tonnes of stored carbon over the next decade.

We heard from my hon. Friend the Member for Bristol East about current protections being paper parks—a sentiment with which I wholeheartedly agree. We should be protecting and restoring seagrass, salt marshes, oyster reefs and kelp forests with the same urgency with which we are calling for the protection of rainforests and our own woodlands and peatlands. Ministers recently—perhaps belatedly—published their trees and peatlands strategies, but we have heard little about specifically restoring our marine environments, despite campaigners at the Marine Conservation Society and Rewilding Britain calling for the Government to kick-start a programme of ocean rewilding. So far, their calls seem to have been ignored.

We urgently need an ocean rewilding strategy that, unlike the recent peatlands and trees strategies, is ambitious and detailed enough to meet the scale of the crisis we are facing. When will we see a plan for the restoration of our marine environments? That must also include a sustainable plan for fishing. Evidence shows that overfishing and practices such as bottom trawling can have disastrous effects on ocean habitats. It is good that the Government have signed up to the UN pledge to protect 30% of our waters, but full protection means implementing no-take zones, as the hon. Member for North Ayrshire and Arran (Patricia Gibson) mentioned. If the Government are serious about this pledge, for the sake of our own coastal communities and fishing industry they should outline where these no-fish zones will be, explain the plan, and set out what consultation there has been with the fishing and maritime communities up and down the country and the fishing industry.

I would be interested to know what lessons the Minister has learned from the designation of Plymouth Sound as a national marine park—a designation that my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) campaigned hard for. We need to learn from the experience of Plymouth, where the UK's first national marine park has just been established, so that we can further protect our oceans. This sort of designation builds on the success of the post-war Labour Government's creation of national parks, and sends a clear message that these waters are important, valued and should be protected for future generations and for our own.

Finally, the Government have made it clear that they intend to amend the Environment Bill to set out targets on species abundance, which will be announced after COP15. I am afraid the pun is too hard to resist: this sounds a little like a cop out. The UK Government should not just reflect the consensus; they should lead the charge against the nature and biodiversity crisis. I am keen to hear the Minister set out what proposals they intend to take to COP15 to protect marine habitats and biodiversity. The Government Front-Bench team has given us a lot of exaggerated rhetoric about the nature and environmental credentials that they hold, but so far the rhetoric has not yet met the reality. Without a clear strategy and with matching clear targets going into the UN conference on biodiversity, I am concerned that we will see more of the same and the UK falling behind on the protections that we need.

10.32 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rebecca Pow): It is, as ever, a pleasure to see you in the Chair, Mr Hosie, especially on this auspicious World Oceans Day. I thank my hon. Friend the Member for North Devon (Selaine Saxby) for securing this debate on this day. She expresses so much passion for the sea and the ocean, which is quite understandable given her constituency, which I have had the pleasure of visiting. She is a great champion for the seas, but she is not alone in caring for them. An ocean literacy survey released today highlighted that 85% of people said that marine protection was personally important to them. Even in this Room, no matter what party Members represent, there is so much synergy in what we are talking about today and in our endeavour to do something about ocean recovery. So I thank my hon. Friend again, and welcome the new shadow Minister, the hon. Member for Sheffield, Hallam (Olivia Blake); it is good to hear her speak on this subject.

As many others have done, I will highlight that our ocean plays a vital role in contributing to biodiversity. It provides 80% of life on Earth and regulates the planet's climate. It absorbs over 90% of all excess heat in the Earth's system. We rely on the oceans for our survival, livelihoods and wellbeing. Despite all these things, the ocean is under huge threat from multiple natural and anthropogenic pressures, including climate change, overfishing and pollution of many types, but plastics in particular. This needs to change.

This is the pivotal year that could really help us to trigger the change needed to raise ambition on the ocean and stimulate the recovery we need. It marks an unprecedented alignment of domestic and international marine agendas, which is why we are calling 2021 a marine super-year. Through our COP26 and G7 presidencies, the UK can influence to build momentum and advocate for greater ocean action, championing global collaboration and towards ocean health and resilience. I know that is something that all hon. Members support, as indicated through the all-party parliamentary group on ocean conservation, chaired by my hon. Friend the Member for St Austell and Newquay (Steve Double).

Our G7 presidency is already significantly raising the profile of our ambitions and actions concerning the ocean. The G7 Climate and Environment Ministers' meeting in May delivered a strong suite of ocean commitments, including the G7 ocean decade navigation plan. That plan established a framework for the G7 to collaborate and advance our collective work on transformational ocean science for ocean action, throughout the UN decade of ocean science for sustainable development.

My hon. Friend the Member for North Devon spoke about the 30by30 target, as did many other hon. Members, including my hon. Friend the Member for Truro and Falmouth (Cherilyn Mackrory), who is a great champion for the ocean—I can see her surf board behind her. The 30by30 initiative is championed by the UK through the Global Ocean Alliance and the High Ambition Coalition for Nature and People, of which the UK is ocean co-chair. I am delighted that between those two alliances 80 countries now support the 30by30 target. That is a vital and positive step towards our collective endeavour to deliver ocean recovery.

My hon. Friend the Member for North Devon highlighted marine litter, which I know she does a lot about locally, and plastic pollution. Rightly, that is a key priority of the super-year agenda. I echo concerns about the ship off the coast of Sri Lanka. We are holding discussions with the Sri Lankan Government on minimising environmental damage following the fire on the X-Press Pearl, and we stand ready to support them at this challenging time.

Scientists predict a threefold increase in the amount of plastics in the ocean between 2015 and 2025 alone, which is alarming. The issue crosses country boundaries and requires international action. Last November, Lord Goldsmith expressed UK support for starting negotiations on a new global agreement to tackle marine plastic litter and microplastics. The agreement will build on the important work we are already doing to tackle marine litter domestically and internationally. For example, together with Vanuatu, the UK leads the Commonwealth Clean Oceans Alliance to reduce plastic pollution in the oceans in support of meeting sustainable development goal 14, "life below water."

In parallel, we are taking steps here in the UK and focusing our efforts on attacking plastic pollution at its source. The 25-year environment plan sets out how we will improve the environment over a generation and includes a commitment to eliminate "all avoidable plastic waste." It includes developing extended producer responsibility, consistent collection and deposit-return schemes, which we are consulting on now. That was referred to by a number of hon. Members, including eloquently by my hon. Friend the Member for St Austell and Newquay, who talked particularly about the deposit-return scheme, and by my right hon. Friend the Member for Chipping Barnet (Theresa Villiers), who urged speed on these initiatives. To clarify, the extended producer scheme for plastic packaging is due to come into force in 2023-24 and the deposit-return scheme in 2024, so we are moving on this.

In addition, we are consulting on an EPR scheme for fishing gear by the end of 2022. Abandoned and discarded fishing gear is having a devastating effect on the marine environment. It is classed as marine litter and has been highlighted as having the most dramatic and terrible effect. It is pleasing that we are consulting on that. We are taking a whole-lifecycle approach to the way we are dealing with plastic.

My hon. Friends the Members for St Austell and Newquay and for Truro and Falmouth touched on the issue of sewage. I think they will agree that big progress is being made, thanks to great work by many organisations, particularly Surfers Against Sewage. I hope they are supportive of the fact that through the Environment Bill we are now bringing in measures to make it a statutory requirement to produce a plan on storm overflows. Also, water companies will now report data all year round on the state of the water on the coast. The storm overflows taskforce is working at pace on tackling the sewage issue as well. We are moving as fast as we can on that.

Alongside the crucial steps to tackle marine plastic litter, we are undertaking a wealth of actions to protect our marine wildlife and nature and to support a sustainable and thriving fishing industry, referred to by many hon. Members. We have a big opportunity now that we are an independent coastal state. The UK marine strategy provides the framework for us to achieve good environmental status in our UK seas. We have published an updated part 2 of the strategy, and will consult on updating part 3 in the summer. The strategy, together with the climate change objectives of the Fisheries Act 2020 and the marine policy statement, will form the major pillars of our protection of the marine environment.

The UK is a global leader in marine protection across the entire UK marine estate, including UK waters and our overseas territories. At least 60% has been designated marine protection areas. The hon. Member for Strangford (Jim Shannon), who painted a charming picture of his childhood by the sea, mentioned "Blue Planet". The blue planet fund has been critical in our endeavours and has exceeded its target of protecting and enhancing over 4 million square kilometres of marine environments around five UK overseas territories. That is largely thanks to Tristan da Cunha's designation as a new protection zone in November 2020.

We have an extensive network of 372 marine protected areas, which protect 38% of UK waters, including the majority of the salt marsh and seagrass habitats referred to by many hon. Members. We are now focusing on making sure those areas are properly protected. That is crucial. Of the MPAs, 98 have management measures in place to protect sensitive features from bottom trawling—using bottom-towed fishing gear—which was referred to by my hon. Friend the Member for North Devon and the hon. Member for Bristol East.

We have been able to put those measures in place through concerted endeavours with the Inshore Fisheries and Conservation Authority and the Marine Management Organisation. While we were in the EU, bringing forward management measures for our offshore MPAs proved very difficult. Our leaving the common fisheries policy and the introduction of the Fisheries Act 2020 changed all that. Within days of the Act being passed, powers become available. The MMO launched a consultation on draft byelaws for the four highest priority sites: the Canyons, Dogger Bank, Inner Dowsing, Race Bank and North Ridge, and South Dorset. We can use the new measures to really protect the seas in a much more meaningful way than was ever possible before. The MMO is reviewing a response to that consultation. We have an ambitious three-year programme for assessing sites and implementing byelaws to manage fishing activity in all the offshore MPAs by 2024. I hope the shadow Minister sees that we are acting on the whole area of marine recovery, especially around our own shores.

I am delighted to announce that the Government response to Lord Benyon's review into highly protected marine areas is published today. The Government welcome the report and accept the central recommendation that we take forward some pilot sites in English waters. We will identify the locations, and the first will be designated by the end of 2022. I hope that reassures the hon. Member for Bristol East, who asked about that. By setting aside some areas of sea with high levels of protection, MPAs will allow nature to recover to a much more natural state, allowing the ecosystem to thrive in the absence of damaging activities. It will be about a balance—supporting sustainable industries in the marine environment while increasing marine protection.

I was very interested to hear about the no-take area around the Isle of Arran mentioned by the hon. Member for North Ayrshire and Arran (Patricia Gibson). I have

[Rebecca Pow]

to take slight issue, though, in that the very first no-take zone designated was actually Lundy, an island not far off the Bristol coast. When I was an environment correspondent for ITV and HTV, a couple of my greatest memories were of going to Lundy to report on the nature and the wildlife there, but also on the terrible disaster—hon. Members might remember it—when the Sea Empress crashed off the coast of Wales and the oil went towards Lundy, which is a world heritage island. However, it is great that we have these areas, and that they serve as models.

There was a reference to the potential value of highly protected marine areas for blue carbon, and a really strong message was given by my hon. Friend the Member for Ynys Môn (Virginia Crosbie). She paints such a great picture of her constituency, and I would love to come and see those seahorses breeding—how absolutely wonderful. Yes, there is potential in all of those things, and they are all areas that are coming under our microscope.

A number of hon. Friends and other hon. Members mentioned marine planning, and we heard very clear, eloquent points about its complexities from my hon. Friend the Member for Waveney (Peter Aldous). This year, we will publish the final four marine plans, building on those already in place in the south and east of England, Scotland and Wales. That will mean that, for the first time, we will have a complete set of plans covering English waters, and those marine plans will provide a transparent framework that will enable us to manage competing demands in an evidence-based way. As was highlighted by a number of colleagues, evidence and science are crucial, and we have to use them in a way that protects the marine environment while supporting sustainable development, such as offshore wind.

I must point out for clarity that the definition of "natural environment" in the Environment Bill does include the marine environment, so everything in there also relates to this area. I also wanted to assure the shadow Minister, the hon. Member for Sheffield, Hallam, that we will be setting the species abundance targets by 2022, in line with the dates set for all of the other targets that we have a legal duty to set.

Penultimately, I am going to touch on sustainable fishing, because that issue is so important. As has been said, fishing is part and parcel of our lives around this coast. The Fisheries Act sets out a legally binding framework to protect and recover stocks, support a thriving, sustainable fishing industry, and safeguard the marine environment. As my hon. Friend the Member for Waveney said, it is so important to engage the fishing industry about this new world for ocean recovery. As set out in the recently published action plan for animal welfare, we will also bring in legislation to ban the import and export of detached shark fins. The UK is also already using its status as a newly independent member of several regional fisheries management organisations to press for sustainable management of international fisheries. That includes supporting robust action to protect vulnerable marine species such as the northern Atlantic shortfin mako shark through the International Commission for the Conservation of Atlantic Tunas and yellowfin tuna through the Indian Ocean Tuna Commission. I think I have demonstrated that we are seizing all opportunities to get involved in this space, both domestically and internationally.

I have a second to touch on the subject of deep-sea mining, which was raised by the hon. Member for Bristol East. We have agreed not to sponsor or support the issuing of any exploitation licences for deep-sea mining projects until there is sufficient scientific evidence regarding the impacts on ecosystems and until strong, enforceable standards are developed by the International Seabed Authority. I think that gives reassurance on the important points she raised.

To conclude, we have heard some tremendous speeches, showing that we have so much in common on this issue. Our attention is rightly focused on ocean recovery on World Oceans Day. We have the power to do something about our oceans, as David Attenborough has been quoted as saying. I hope I have demonstrated that the Government are using their powers. I also hope I have given assurances, especially to the shadow Minister, the hon. Member for Edinburgh North and Leith (Deidre Brock), who was somewhat negative on that point. I have laid out a raft of measures to show that we are taking urgent action. Everyone will agree that this is a crucial time to act—in this, the super-year for the ocean.

10.50 am

Selaine Saxby: I am glad to see that there is such wide support for protecting and restoring our oceans on this World Oceans Day, in what I hope will be a marine super-year. Colleagues are right that we can do more to reach 30by30, to recognise the contribution that blue carbon can make to achieving net zero, and to highlight the importance of our oceans to lives and livelihoods.

Question put and agreed to.

Resolved,

That this House has considered World Oceans Day 2021.

10.51 am

Sitting suspended.

Social Distancing Restrictions: Support for the Night-Time Economy

[STEWART HOSIE *in the Chair*]

11 am

Stewart Hosie (in the Chair): I remind Members that we have made some changes to normal practice in order to support the new hybrid arrangements. Members attending physically should clean their spaces before they use them and as they leave the room. Mr Speaker has stated that masks should be worn in Westminster Hall, except when you are speaking.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): I beg to move,

That this House has considered social distancing restrictions and support for the night-time economy.

I asked for today's debate because I am vice-chair of the all-party parliamentary group for the night time economy. As the Member for Brighton, Kemptown, I also represent a large and diverse number of venues, bars and clubs. Not only am I the MP but, like many Members, I am a patron of many of the venues in my constituency, such as Revenge and Legends, and I miss my nights out with my friends as much as I know the venues miss having us. When I talk to bar and club owners, they tell me the same thing: the uncertainty is killing them.

On 16 December, when covid cases were spiralling out of control, the Prime Minister insisted it would be "inhuman" to cancel Christmas, and he gave every assurance that it would go ahead. Pubs and restaurants had their staff hired, and the stockrooms were full and ready for a shortened Christmas season. On 19 December, just three days later, and after saying it would be inhuman, the Prime Minister cancelled Christmas. I do not say that he made the wrong call in locking us down. History will show that he was right to do so or, if not, that he should have done it earlier.

I raise what happened in December because I worry that we are repeating ourselves. The Prime Minister bumbles away through his interviews, assuring the nation that everything will be just fine with the road map on 21 June. Meanwhile, we have Whitehall officials briefing today's papers that the date will be pushed back. What is it? My fear is that the harsh reality will catch up with the Prime Minister yet again and he will have to acknowledge what we already know: the 21 June deadline might have to be pushed back a few weeks to get everyone vaccinated. Those who will suffer are the workers and businesses who have trusted in good faith that they should work towards that date, although—granted—no cast-iron guarantee has ever been given.

The Night Time Industries Association conducted a survey of its members. Nine in 10 businesses fear that a delay in the full reopening of nightlife would threaten their survival; 85% require at least two weeks' notice to open up, and over a third said they need four; 95% have already made financial commitments; on the logistics of opening up on the 21st, 54% have already ordered stock—as a real ale man, I know that that stock goes off incredibly quickly, so it has to be used in time; 73% of businesses have called in staff; 60% have sold tickets; 64% have booked entertainment; and 80% have already spent finances on marketing and promotional materials.

Louise from the Camel Club, a family nightclub in Huddersfield, told our APPG that she does not know under what conditions the nightclub will be able to open. She does not even have a rough idea of the direction that it will be going in. For example, when it opens, is social distancing likely to be required? What other rough ideas will be given? This has made it extremely difficult to even prepare. She is plucking things out of thin air rather than at least following guidelines that could change. That makes things difficult operationally and financially, so what guidelines can be issued so that clubs can at least work towards a general direction? Will they be able to open on the 21st? If not, can there be reassurances that financial support will be offered?

The pandemic has presented a real jobs crisis too. According to Unite, 48% of hospitality workers say that they will look for work in a different sector post pandemic. The industry is heading towards a skills employment crisis. The problem is that the so-called barista's visa—the roll-out of potentially low-paid, exploitative apprenticeships on a visa—is not the way forward. There have been 650,000 job losses across this sector alone.

This is not just a problem for those in hospitality. There is a knock-on effect—for example, in the security business. The UK Door Security Association warns that six out of 10 supervisor posts are now unfilled in nightclubs, music venues, pubs, bars and festivals. The posts being unfilled risks the venues being unopened. That was one of the reasons we had to cancel Pride in Brighton: we just could not secure the security staff, as well as not having the underwritten insurance, because the Government did not underwrite that either.

So many door staff have been forced to find other forms of income. They have opted to use their security licences in more stable environments, such as retail or covid testing centres. There is an increase in resource demand, as venues have to adhere to covid requirements. If they are able to go ahead, many festivals will now be squeezed into a tight summer season. We also see increased demand in certain pinch points.

The Government must work with the associations, and with organisations such as Unite and other unions, in their proposed hospitality commission, to establish a plan for the sector, to retrain workers who lose their jobs and to ensure that those people do not face long-term unemployment. In my view, the kickstart scheme is not fit for purpose on hospitality. It has offered only 60 of the 1,260 placements to hospitality workers. Hospitality training programmes should be focused on upskilling the industry and creating new, quality jobs with guaranteed hours.

Business owners in the night-time economy now have debts equal to three years of trading profit. That is £2.5 billion just in debts that they did not have before the pandemic and that they will have on opening day. They are also having to potentially invest in social distancing measures that they do not know will even be implemented. That is why the Government need to give more guidelines on what might happen.

The moratorium on forfeiture is to be lifted at the end of this month, and no solution has been offered to address the legacy of rental debt wrought by the pandemic. Some 75% of night-time businesses say they fear bankruptcy or insolvency when the moratorium ends, if there is no solution to commercial debts. Some 80% of commercial

[Lloyd Russell-Moyle]

tenants in the sector still face unproductive discussions with landlords. The situation requires the Government not just to issue guidelines or suggestions to landlords, but to require landlords to get around the table and negotiate with businesses. The Government should come forward with a package to ensure that businesses take no more than a third of the burden—effectively, one year's operating profits—and that the rest is shared with landlords, other suppliers and maybe even the Government in long-term solutions that would mean these businesses do not go bust, which many are doing.

Regardless of what decision is made next week on social distancing, this issue is not going to go away. We need to hear some concrete proposals from the Minister on what long-term help the Government plan to provide to solve the crisis. Will he commit to matching the Welsh and Scottish Governments in their commitment to 100% business relief for qualifying night-time economy businesses in the 2021-22 financial year? Will he commit to delaying the rise in VAT for cultural, ticketing and other night-time economy venues in the 2021-22 financial year? Will he pledge that the Government will follow the science, allowing events with the mitigations that have been shown to be effective in trials, such as testing, vaccines or other measures, and allowing venues to open in certain situations?

I end with the words from Matthew from Chalk, a nightclub next to my constituency—100 yards across the border. He said to the APPG that he has invested his life savings in the venue—his blood, sweat and tears. Nightclubs are responsible for life-forming experiences for young people—and those who are less young—and are an integral part of our society. They must be protected. They are an integral part of the economies of many cities and towns across our country, and provide jobs for hundreds of thousands of people. I hope the Minister can give Matthew and many others some reassurances about going forward in the next few weeks, so that we can start to get our businesses opened and our economy supported.

11.10 am

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): It is a pleasure to serve under your chairmanship, Mr Hosie. I congratulate the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) on securing today's important debate. I thank him for his work and all those colleagues on the all-party parliamentary group for the night time economy, which is a hugely important sector, culturally, economically and for people's wellbeing.

This area of the economy is being hard-pressed because it is not a binary situation like retail, which is either open or not—obviously there are measures within, but on the whole it is either open or not open. Clearly, restrictions are being put on the hospitality sector, the night-time economy and the wider hospitality sector, such as weddings, and that is happening at a cost, with extra staffing and reduced capacity for those venues. They have been incredibly hard-pressed.

The sector also creates millions of local jobs. Many sectors and industries within hospitality—events and entertainment, healthcare, security, cleaning, transport, logistics, retail, health and fitness centres—are all part of the hospitality ecosystem. The sector is also key in driving other vital sectors of the economy, including tourism, entertainment, the arts and cultural activities, such as theatres and comedy clubs. We recognise the huge disruptions that the covid-19 pandemic has caused to people's lives. It has presented unprecedented challenges to those sectors.

The Prime Minister's road map is an important step towards reopening the night-time economy, but we need to be driven by the data and proceed cautiously towards step four. That is why we have opened the economy in gradual steps, as it is vital that we do not jeopardise the success of the vaccination programme. I hope this debate will go some way to restoring public confidence and kick-starting recovery for the industry to make sure that people in the sector know that everybody in this place, from either side of the House, is fully committed to making sure that we can restore our night-time industry.

The hon. Member for Brighton, Kemptown talked about December and what happened at Christmas. For that reason we are going through the gears gradually, carefully and slowly. We have been at pains to talk about the fact that it is "data not dates". Everyone will obviously put their hook on 21 June, but although—to provide enough certainty—we have said that that is what we are aiming for, we have been really careful to say that the decision needs to be based on data. Caseload, case rates, the effect of the vaccination on variants, the roll-out of the vaccination programme, and obviously hospitalisations and the pressure on the NHS, are among the things that we are testing and gathering evidence for. Every day that we continue with that process, we are getting richer data.

The promise has been clear that the decision will be made and announced on 14 June. I appreciate that, for some businesses—especially those producing real ale, as it takes a couple of weeks to brew and, as the hon. Gentleman says, it has a short shelf life—that will not be enough time. However, the key thing is that the full opening up would not be before 21 June. Media speculation does not help and I have been at pains, when speaking to newspapers and TV, to ask them not to speculate for speculation's sake. That causes cancellations, especially for events that require planning, such as certain nightclubs, weddings or ticketed events. That speculation is harming business.

Jim Shannon (Strangford) (DUP): First, I congratulate the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) on bringing the matter forward. He is right; it is the uncertainty. We understand the issues to do with the timescale and then it falls back, but I want to make a plea, to back up the hon. Gentleman, for those workers. In my constituency, I know that some have had real uncertainty over the future of their jobs. First, they are on furlough. Then, they are off furlough. Then, something else happens and they find themselves off furlough and they cannot get back on again. Can the Minister say what consideration the Government have given for businesses that have furloughed some of their staff, have taken them off with an option of opening and then find themselves in the predicament where they wish they had not taken them off furlough to start with? Also, what discussion has the Minister had with the devolved Administrations?

Paul Scully: That is an interesting point. I am grateful for the hon. Gentleman's intervention. It is a really important point. I will come back to staffing overall in a second. He is right. I have had some interesting discussions with the hospitality sector over the past week or two, since the last reopening, when they have been looking at staffing issues. A number of people have come up with different ways of covering the staff shortages they have outlined. First, it is difficult to get some people back from furlough, because they are happy and prefer to be on furlough. They may be cautious about coming back to the workplace and have not the confidence to do so.

There are clearly some people who have left the country, especially in London and the likes of Brighton, where we rely on a significant number of workers from Europe and around the world. There are rural and coastal areas where businesses struggle to find people in general. There are also people on furlough who may have been running two jobs and have made a choice. For whatever reason, possibly because of the speculation that I was discussing about the uncertainty of hospitality and the night-time economy reopening, they have chosen to go to their other job—the non-hospitality job. That clearly provides a challenge and is something that we have to work through and be alive to.

The hon. Member for Brighton, Kemptown talked specifically about security staff and the need to maintain safe venues. Clearly that is something that we are aware of and we are working through the Home Office to see what more we can do to support them.

I shall return briefly to the road map. The Prime Minister has the step-by-step plan to be led by the data as we ease restrictions. We have progressed through that road map, on the basis of the latest data, easing restrictions further when it has been safe to do so. We want to make sure that as the night-time economy and hospitality reopen, we remind people that the hospitality sector has done so much to put mitigations in place—the time, the money, the effort, the staff, the one-way systems, the screens and what-have-you. We want to reassure people that they are safe by following the guidance and putting those measures in place, but providing a really warm welcome as well. We want people to go out and enjoy themselves. We want to give them the confidence to come out on the first day and make sure that they have enjoyed a fun time and want to come back time and again. As we break the cycle of people being locked away at home, we do not want them to necessarily just sit there and contain themselves with their bottle of wine and ready meal in their garden, because there is so much that Brighton, London and Northern Ireland have to offer in the night-time economy.

Lloyd Russell-Moyle: Could the Minister address one request that I get a lot from the night-time economy, by giving some pre-guidelines of what the opening up might look like, even if that were to change? Looking at another sector, I went to visit my local caravan club site recently. They were given three days, from the announcement to open up the site, to implement the measures that the Government required. If they had been given just a week, they told me, even if it was to say, "This is what we are currently thinking; it might change, but this is where you can start planning," it would have really helped.

Could we learn that lesson with the night-time economy and give them a heads-up? Could we say, "This is where the current thinking is. We don't know the date when it will happen—it might be this week, next week or the week after—but this is roughly what it will look like when you are opening up"? Could we make it clear whether it will be a free-for-all when we do, or whether it will be a case of, "You can open up, but here are the requirements that you will have to meet"? That would make a big difference for a lot of these venues.

Paul Scully: I thank the hon. Gentleman and totally accept that. We are in a frustrating period; it is frustrating for all of us. None of us wants this to go on for a day longer than possible, but as he knows, a number of reviews are under way—the certification review, the social distancing review and the events pilot—all of which are due to be completed this week. They will not only inform the Prime Minister in making his decision ahead of 21 June, but inform us of what works, what might not work and so on for larger events and for social distancing.

In all this, we have worked with organisations such as UKHospitality, Hospitality Ulster, the British Beer and Pub Association and the Night Time Industries Association to try to get a view about what the effects of any residual social distancing and mitigations will be on their economy. We can therefore get the balance right in giving them a chance to make a profit. Let us bear in mind that every time we walk down a street at the moment and see a busy, bustling pub, it is still losing money; it is just minimising cash burn and minimising its losses. It is not making money. It has not got a chance of making money until it can open fully, because of the capacity issues. As I say, it might look busy, but it is still constrained.

I cannot give the hon. Gentleman the exact answer that he wants and that the sector needs, but we are trying our best to ensure that we work with the sector and have a dialogue rather than just say, "Okay, this is the kind of stuff we are going to do. What do you think about it?" At every stage it has been difficult to work through those dates as we have come through them, but I believe that we will get there.

I know that not every venue will open fully on 21 June, because that is what happened on the other two dates as well. That is the date, and different people will work through their venues to best suit their staff rotas, their suppliers and perhaps just ensure that they can give that safe and warm welcome. We want to ensure that the Government's programme is one-directional; and clearly, businesses do not want to be stop-starting because of economic constraints of a more local making, shall we say.

There were a number of issues on financial support. Let me first cover the rents moratorium. Throughout the process we have had a number of cliff-edge scenarios that we have tried to avoid, whether the end of the business rates holiday or the VAT relief. Those are big-ticket items. If I remember rightly—I might get these the wrong way round—business rates was about £11 billion of taxpayers' money and VAT was something like £27 billion. It was of that order. Those are big amounts of money, so we clearly need to work that through in a holistic fashion for the Chancellor, but we have always tried to flex to view the situation as is,

[Paul Scully]

rather than try to predict too far into the future. Clearly, I do not think any of us expected us to be in this situation in March or April last year, when the pandemic Budget was announced.

The moratorium is the one complicated issue. Business rates relief is the Chancellor saying, "Okay, fine, we can extend this. The Treasury will take the hit." I understand that ultimately it is taxpayers' money, but the Treasury will take that view and it is the Treasury's decision. On rent moratoriums, there is clearly a commercial rent, and landlords are businesses as well. We sometimes look at rogue landlords, but there are many mom-and-pop owners who own a property or two. There are also pension funds that own property, and that has ramifications for pensioners and investors in those pensions. Obviously, some landlords also have shareholders.

We must therefore look carefully at getting the right balance, but we are working through that as quickly as possible because we know that the most immediate effect will be on tenants. It will be on those hospitality venues who, for the reasons we have said, cannot operate to capacity very quickly. We are hoping to come up with something that works for both tenants and landlords and furthers those discussions. We want to have constructive discussions, as the hon. Gentleman said, because it is in the landlords' long-term interests to ensure that they can do so. Beyond that, we will make sure that we can get to more of a fundamental review of the landlord-tenant relationship, because the hon. Gentleman is absolutely right to talk about how we go beyond reopening.

I have been working with the hospitality sector on the strategy—what we do next. Bear in mind that our Department did not have a hospitality team before all this, but we now have a permanent hospitality team within the Department, and I now include Hospitality Recovery Minister in my vast array of titles and responsibilities. It is important that the hospitality industry has the seat at the table that it worked so hard for.

There are three Rs: reopening—we have to get back to full capacity to start making money again and start paying back the three years of debt that the hon. Gentleman talked about. Then, recovery—going through that process, starting to have more easements from local authorities to help support that. It is also about resilience, which brings us back to the long-term issue of staffing. What makes hospitality so flexible is that it has a low bar for entry. A student can go in and do a few shifts at a pub without any qualifications. But we want to make sure that people can see a career path in hospitality, so that although there is a degree of flexibility, that is not the same as instability. We want to give that stability through a greater skills offering for the hospitality sector. As we build back better and fairer for the workers in that sector, we will also build back greener, seeing what more we can do to further the Government priority of driving towards net zero, by means of practices in the hospitality sector. There is a lot to be working on.

We are gradually removing restrictions and reopening the economy via the road map. It is a frustrating time, waiting for Monday to see what the decision is, but we have to remain cautious and continue to follow advice on safe behaviours. It is key that we remind people that this is not like a thriller movie, when someone shoots the baddie at the end and the credits roll. We will be living with this for some time. In the meantime, hon. Members are sitting with their masks on because we need to remember social distancing, "hands, face, space and fresh air" and get the vaccine when it is offered.

We will continue to work closely with businesses, local authorities and other stakeholders to support those industries and ensure that the UK night-time economy can recover and return stronger. As we continue those reviews in tandem with the vaccine programme, we are hopeful that further venues will be able to reopen as we approach step four of the road map. That will be no earlier than 21 June, following a review of data. Protecting the health and safety of the British public is our top priority, but we will not keep the restrictions in place any longer than necessary. Until then, everyone must continue to play their part.

Question put and agreed to.

11.28 am

Sitting suspended.

Community Renewal Fund and Levelling Up Fund in Wales

[CHRISTINA REES *in the Chair*]

2.30 pm

Christina Rees (in the Chair): I remind hon. Members that there have been some changes in practice to support the new hybrid arrangements. Timings of debates have been amended to allow technical arrangements to be made for the next debate. There will be suspensions between each debate. Members participating physically and virtually must arrive at the start of debates in Westminster Hall, and they are expected to remain for the entire debate. I must also remind Members participating virtually that they are visible at all times, both to one another and to us in the Boothroyd Room. If Members attending virtually have any technical problems, they should email the Westminster Hall Clerks' email address, which is westminsterhallclerks@parliament.uk.

Members attending physically should clean their spaces before they use them and when they leave the room. Mr Speaker has stated that Members must wear masks in Westminster Hall unless they are speaking. I also remind Members that those who are sitting in the Public Gallery should move to the horseshoe just before they are called to speak. If Members sitting around the horseshoe could kindly facilitate that, that would be fine.

2.31 pm

Ruth Jones (Newport West) (Lab): I beg to move,

That this House has considered the Community Renewal Fund and Levelling Up Fund in Wales.

I am very pleased to serve under your chairmanship for the first time, Ms Rees. I thank my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones) for helping to secure this important debate, and Mr Speaker for the opportunity to lead it. The debate gives the House the opportunity to address the broken promises made by Tory Ministers and the empty words of the Prime Minister, who has done nothing but let Wales down. Most important of all, it gives us all a chance to give voice to the thoughts, concerns, needs and wants of the people of Wales. I know my colleagues on this side of the House agree with me, and I suspect that many on the other side do, too, because funding for our communities is vital and much needed, but it is crucial that the funding is transparent, fair and balanced. Its distribution must not be another example of doing to people; we must focus on doing with people. As things stand, the levelling up fund and the community renewal fund fail on both those counts.

The levelling-up fund and the community renewal fund pit nations such as Wales, Scotland and Northern Ireland against the many regions up and down England. That simply is not good enough. Is it any surprise that the constituencies represented by Cabinet Ministers have received funds ahead of other parts of the United Kingdom? That is what happens when control is left in the hands of Ministers in Whitehall rather than in the hands of local communities up and down the country.

The so-called levelling-up fund will see decisions made in Whitehall rather than Wales, and will be driven by Departments with no history of delivering projects in and across Wales, no record of working with communities in Wales—north, south or mid—and no understanding of the priorities of those communities now or in future. That is why the First Minister of Wales, my right hon. friend Mark Drakeford MS, was correct to say that the Tory attempt to level up the economy in Wales is, simply put,

"a plan made for Wales – without Wales".

That simply will not do.

I am a very proud member of the Welsh Affairs Committee, where we heard evidence on this subject just a few weeks ago. We heard from four council leaders across Wales, the Minister for Economy in the Welsh Government, the Minister for Regional Growth and Local Government, the Under-Secretary of State for Wales, and the director of policy, cities and local growth unit—quite a mouthful. Some key themes emerged from that important evidence session: there is not enough money in the pot to replace what Wales currently receives from the EU; there has been insufficient communication; the bidding criteria are not clear, and the mechanisms to decide on successful bids are submerged in confusion and chaos; the element of competitiveness is unwelcome, and Welsh areas are pitted against not just other Welsh areas but England, Scotland and Northern Ireland.

Those of us living and working in Wales prefer to work collaboratively to get the best for our communities, rather than compete aggressively to win small amounts of funding. Another key theme we found in our evidence session is that the timeline is too short; the deadline for bid submissions is impossibly short. Next week is the deadline for the very first round of bids; that means that councils have to submit shovel-ready projects rather than the most important and useful projects. That is not the best way of working.

When speaking to our Committee, Vaughan Gething made it abundantly clear that the Welsh Government had effectively been cut out of the bidding process completely, and that relationships with the Westminster Government were in a very cool phase at present. But the final part of our evidence session was perhaps the most concerning, as we heard two Government Ministers give different accounts of the bidding process and how the successful bids would be judged. The Under-Secretary of State for Wales was clear that he expected the Wales Office to be involved in the scrutiny of bids, but the Minister for Regional Growth and Local Government was adamant that the Wales Office would not be involved, but that his Department would be setting up additional teams of people in Wales to get involved in the process. I am still not clear why this additional layer of bureaucracy is necessary.

The levelling-up fund money is not new money. If it was not being funnelled through this fund, it would have been allocated to Wales through the Senedd, the democratically elected Parliament of the people of Wales, and it would have been allocated in accordance with the priorities of the Senedd, decided by the people of Wales. However, rather than respecting democracy and looking to work with the Welsh Government, Tories in Westminster have decided to trample over our democracy and have by-passed the Senedd completely. That is probably why, at the most recent opportunity the people of Wales had to express their view, they re-elected their Welsh Labour Government for a record sixth term of uninterrupted government. This is true to form for the Tory Ministers, because they ride roughshod over democracy by taking decisions on devolved matters in Wales and remove

[Ruth Jones]

most means of being held accountable by creating a system in which the people of Wales will have no say. It is unacceptable.

It is clear to me, and I know to many on this side of the House, that the way this whole sorry affair has been handled shows that the Tories know they have lost the trust and support of the people of Wales. On taking office, the Prime Minister made himself the Minister for the Union. Far from unity, every decision he has made and every step he has taken has sown discord and disunity across our country. As each day passes, the situation and future of the Union grow ever graver. I say this with no relish, but with increasing fear and concern for our Union.

The strong ties of family, faith, support, solidarity and togetherness that bind this Union are continuing to fray because of the failure of Tory Ministers to recognise that unions are formed of voluntary, consenting parties that need and deserve respect. Importantly, as I have already indicated, this Union is made up of four equal and proud partners. Nobody disagrees with the creation of the means to support and empower our communities, by using these funds, but as is so often the case with this Government, it is how it is done—or not done.

These funds could have been a step towards greater, more equal co-operation between Whitehall and the devolved Governments in Cardiff, Belfast and Edinburgh, but it has not happened. That is why I call on the Minister today to give us a reasoned explanation of what is actually going to happen, because we need to know and we need to know now.

The Secretary of State for Wales is a decent man, but it is a matter of regret that his decency has not stopped him from going along with the Prime Minister's dismissive approach to the Welsh Government, the Senedd, devolution and the devolution settlement. This sits at the door of the Prime Minister, and it is time that he steps up or stops letting Wales down.

Christina Rees (in the Chair): If Back-Bench speakers could confine themselves to five minutes, we should get everyone in. The Opposition spokesperson can speak for 10 minutes, the Minister can speak for 10, and Ruth Jones will have time at the end.

2.38 pm

Stephen Crabb (Preseli Pembrokeshire) (Con): It is a pleasure to serve under your Chairmanship for the first time and to follow my colleague on the Welsh Affairs Committee, the hon. Member for Newport West (Ruth Jones). I start by saying clearly that I welcome these funds. I welcome these new pots of money that have been created to achieve, we hope, good and lasting things in Wales and in our constituencies. I welcome the design of the funds, the commitment on the part of the UK Government and the vision that lies behind the funds—what they actually speak to and represent. It is a vision of a fairer, more balanced economy right across the whole United Kingdom.

The theme of an unbalanced, lopsided economy is one that we have talked about a lot over the years as Welsh Members of Parliament, recognising that Wales remains one of the poorest parts of the whole United Kingdom, recognising that other nations and regions of the United Kingdom seem to have been able to power ahead much more effectively with economic growth and prosperity creation. Too often in Wales, it feels that we are stuck and have been left behind. Certainly, the statistics seem to demonstrate that. I welcome the vision that the Government have announced and outlined, and the way that the funds give meaning to that.

On the point made by the hon. Member for Newport West about the devolution settlement, I do not believe it was ever part of the devolution vision originally sold to the Welsh people 20 years ago that a sort of Berlin wall would be created to stop the UK Government spending money for the benefit of its citizens in the devolved nations. I do not believe that was ever part of the original devolution vision.

When I was Secretary of State for Wales, there was never a shortage of Opposition MPs knocking on the door of the Wales Office asking, "Are there any pots of money available from UK Government to help schemes and projects in individual constituencies?" That was even when those projects and schemes touched on devolved areas. For the first time, we have funding streams available that complement, but do not compete with, what the Welsh Government are trying to do. As a Welsh Member of Parliament, I see that as a healthy thing.

I believe leaders of local authorities such as mine, and others from which we heard evidence at the Welsh Affairs Committee two weeks ago, welcome the opportunity for engagement with UK Government and what these funds bring for our communities. More direct contact between Welsh local authorities and UK Government is healthy. Again, it was never part of the devolution settlement sold originally to the Welsh people that local government in Wales should become a no-go area for UK Government. It is surely healthy for UK Government to have direct and meaningful relationships with local government. That is not to compete with the Welsh Government or ride roughshod over the devolution settlement but to create that healthy connection.

The Minister and I have talked before about post-Brexit funding, the successor to EU funds, and the need for better-quality projects and investment in Wales. We have had 20 years of EU funding, and it is not always obvious what that funding has delivered for our communities. I am not saying that very worthwhile projects have not been supported—of course they have been—but it is difficult to point to clear-cut examples of EU funding for projects and investment that has moved the dial, helped create better, more balanced growth and better-quality, higher-paid jobs in Wales, and made that kind of step change. I would emphasise to the Minister that this new generation of funding needs to support those better-quality projects and investments. The greater involvement of local authorities can help foster that, because local authorities on the ground often have the best knowledge of what is going on in their communities.

My final point is about my community in Pembrokeshire. I have been working with the local authority on a bid for this funding, focusing on town centre regeneration in Haverfordwest, which I hope is successful. Town centres need to do different things in future and not rely as heavily on retail as they did in the past. Covid has provided a catalyst for change in our communities. The bid we are working on could represent a new future for Haverfordwest town centre. It could benefit from tourism and our cultural heritage.

2.44 pm

Chris Elmore (Ogmore) (Lab): It is a pleasure to serve under your chairmanship, Ms Rees, I think for the first time. I congratulate my hon. Friend the Member for Newport West (Ruth Jones) on securing the debate and covering in such detail some of the challenges of the levelling-up fund. In similar fashion to the right hon. Member for Preseli Pembrokeshire (Stephen Crabb), I say to the Minister and all Conservative Members present that I welcome any funding that brings investment into my Ogmore constituency. I am not against funding coming into any of my communities.

I happen to represent some of the most economically deprived parts not just of Wales, but of the UK. I am well aware that investment is needed in my constituency. That investment could be in jobs, growth and physical regeneration, including around the town centre. In my constituency there are smaller towns in many of the valleys. Historically, they were full of hustle and bustle because of industry that has now left those communities, so they need the investment that the Welsh Government have provided until now, with European Union funding, but which has also come directly from the two local authorities that my constituency sits in.

I am not happy with the process. I think that it should be decided within the Welsh Government, because that is the system that has been in place for EU structural funding since 1999, and we should respect the devolution settlement. However, I am realist. I am not in government in Westminster, so I genuinely want to work with the Wales Office and Housing, Communities and Local Government Ministers to ensure that investment comes to my constituency.

The first bidding round is on 18 June. Two local authorities, as I have set out, cover my constituency, and a third borders my constituency—I can see the right hon. Member for Vale of Glamorgan (Alun Cairns) looking straight at me on a screen. I have been lobbied by officials in Bridgend, Rhondda Cynon Taf and the Vale of Glamorgan authorities about a possible bid in my constituency covering all three county areas. This is a very exciting and positive bid that could bring about meaningful change and regeneration to the second largest—I represent several towns; my constituents would argue which is the second largest—town in my constituency, to bring about meaningful investment that could be of real benefit to the constituencies of the hon. Member for Bridgend (Dr Wallis) and of the right hon. Member for Vale of Glamorgan.

However, there is confusion. It is not clear which bid I would support, because my authorities wish to put in other bids. Officers have no relationship with HCLG officials, because there has been 20 years of separation following devolution. They are therefore starting from scratch on relationships and conversations. When, as MPs, we ask Ministers, either in HCLG or in the Wales Office, who is leading on what, there is confusion. There is not a straightforward answer.

At the last Welsh questions, I asked the Secretary of State for Wales whether he could try to explain the process, and I then wrote to him. Despite various HCLG Ministers, including the Under-Secretary of State for Housing, Communities and Local Government, telling me that there would be two further rounds of bidding, no dates are available for those rounds. The Secretary of State told me that there would possibly be only one additional round of funding in the comprehensive spending review for the next round, so what happens to the third round? What are the dates towards which local authorities should work to ensure that they can put in those bids?

Alongside that, we have the community renewal fund. As I mentioned, Ms Rees—you know my constituency very well indeed—my seat sits in the RCT and Bridgend County Borough Council area. RCT is part of the community renewal fund priority bidding area, but Bridgend County Borough Council is not. Despite the deprivation—the Minister and I have corresponded about this—and the challenges facing those communities, it is not seen as a priority area for the UK Government, and I have still not got to the bottom of why neighbouring authorities, including seats with fewer areas of deprivation and fewer challenges in skills and growth, have been prioritised, but mine has not. I know that my hon. Friend the Member for Caerphilly (Wayne David) will make similar points about his county area—as, indeed, will my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones).

In closing, I have a series of questions. We rarely have an opportunity to question the Minister in such a direct way. Could I have the dates for rounds 2 and 3 of the funding bids for my local authority? In written answers I was told that they were not available. What happens to priority bidding if there are multiple authority bids from two or three authorities? Will there be second and third funding rounds? After priority bids, of which there is one, the Welsh Secretary says that other bids can be supported in the usual way. Will the Minister set out what the usual way is? I have yet to find an answer.

2.49 pm

Alun Cairns (Vale of Glamorgan) (Con) [V]: It is a privilege to serve under your chairmanship for the first time, Ms Rees, like many other Members present. I congratulate the hon. Member for Newport West (Ruth Jones) on securing this important and timely debate before 18 June, the deadline for the first round.

I say warmly and enthusiastically that the levelling-up fund is welcome. It is something that I have sought to work with and work on for many years, from the time of the referendum on leaving the European Union, and I am excited. I congratulate not only MHCLG but also the current Secretary of State for Wales and the Wales Office on securing this and seeing it through right to the very end. As my right hon. Friend the Member for Preseli Pembrokeshire (Stephen Crabb) highlighted, there are many MPs from across the House who would come to see the Secretary of State at various stages, seeking support for a range of projects but maybe not fully understanding that the lack of capacity to spend and the lack of a budget—both resulting from the legal constraints at the time—meant that the Wales Office could not help. Now it can help, working with colleagues at MHCLG.

We should also remember that levelling up was the key theme, along with getting Brexit done, during campaigning for the last general election. I therefore reject the complaints from some Opposition Members. It is clear that the Government secured a majority on their levelling-up agenda —this is a key part of it—together with getting Brexit done, given that the then-European aid programmes obviously have come to an end and this naturally and logically follows from that.

[Alun Cairns]

It is telling that the communities that often received the largest amounts of European aid were some of the communities that voted in the strongest numbers to leave the European Union. That tells us something—that the programme, as it was, was not working. We know that more than £4 billion has been spent over almost 20 years of European-aided programmes in Wales, but clearly, sadly and unfortunately, Wales remains the poorest part of the United Kingdom. Therefore, a fresh approach is welcome.

I am disappointed that many colleagues on the Opposition Benches seem to welcome funds when they come from Europe but do not necessarily welcome them as much when they come from Whitehall. This is an opportunity to bind the Union together, and to recognise that UK taxpayers support UK residents wherever in the United Kingdom they live. My constituency received very little, if anything, in European aid because it did not fall into west Wales and the valleys. Some smaller sums were available, but certainly not transformational funds that would make a world of difference, like the opportunity offered by the levelling-up fund. I welcome it, I believe my constituents strongly welcome it and I congratulate the Vale of Glamorgan local authority on its engagement with the process in seeking to meet the 18 June deadline.

Barry, the largest town in my constituency, has some of the most deprived communities in Wales but, because of the structures that the Welsh Government and the European Union previously introduced, Barry and those communities were not able to benefit from additional aid outside the Welsh block grant. Now, under the levelling-up fund, they can. Barry has turned a corner in the last decade and exciting developments are taking place. However, the levelling-up fund offers us the opportunity to take it to the next level.

The proposal that we are looking to bring forward is a marina, which will complement so many other exciting projects that are taking shape. That exciting project had to be brought together within quite a short time. I hope the Minister will recognise that authorities in Wales tend to be smaller, and therefore their capacity to develop bids within a relatively short period is not as great as that of some authorities elsewhere in the UK. Similarly, some authorities, particularly those in south-east or eastern parts of Wales, are not used to bidding for such large infrastructure projects or schemes. They lack experience and therefore will need extra support.

Finally, it would help if the Minister would underline when the next round will open and whether, if a bid is unsuccessful on this occasion, positive feedback may be given to make it appropriate for the next round of funding.

2.54 pm

Wayne David (Caerphilly) (Lab): It is a pleasure to serve under your chairpersonship, Ms Rees, and I warmly welcome this afternoon's debate. Like Bridgend county borough, Caerphilly county borough contains some of the poorest communities in the whole of the United Kingdom. Lansbury Park in Caerphilly, and the town of Bargoed—also in my constituency—are not included on the Government's priority list of communities that should receive funding from the community renewal fund. That is because Caerphilly borough is not on the Government's priority list. Equally, in the constituency of my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones), Deri, Fochriw, Rhymney, New Tredegar and many other poor communities are to be excluded because Caerphilly county borough is not on the priority list.

However, the Chancellor's constituency of Richmond in Yorkshire is included on the list. Many other areas that are obviously doing relatively well, thank you very much, are also included on that list. The reasons for that list being selective may be political, but I will leave that to one side—Members may come to their own judgment on that. The technical reason for Caerphilly county borough not being included is the relatively high travel-to-work rates from that borough: for example, people are travelling to Cardiff for work in significant numbers. However, that gives the incorrect impression that the borough as a whole is faring quite well. The reality is that there are parts of the Caerphilly borough that are far from prosperous, and those areas clearly need continuing support.

These exclusions are worrying as regards the fund, but to be frank, the community renewal fund is small beer. The shared prosperity fund is more important, because that is the fund that will effectively replace the European Union's structural funds. However, we are told that the community renewal fund is the precursor to the shared prosperity fund, so I should like to ask the Minister three questions today.

First, the Minister has said very clearly that the Welsh Government and central Government should work together. Can the Minister commit himself to work with the Welsh Government so that in Wales, the criteria for the allocation of resources under the shared prosperity fund are drawn up jointly by both Governments?

Secondly, is it the Minister's aim for areas such as Caerphilly, which benefited substantially from the EU's structural funds, to also benefit from the shared prosperity fund? If the Government believe—as they say they do—that resources should be allocated on the basis of need, surely there should be continuity of funding, and comprehensive criteria should be used to determine the actual need in those areas.

My third question is whether the Minister will commit to visiting my constituency, and the town of Bargoed in particular, to see for himself and to talk to local people about what the needs of the community are. That would be extremely important, so that an accurate assessment can be made and so that funds can genuinely be allocated on the basis of where they are needed the most. I very much hope that the Minister takes up my kind invitation: he can be assured of a warm welcome in the valleys.

2.59 pm

Virginia Crosbie (Ynys Môn) (Con): It is a pleasure to serve under your chairmanship, Ms Rees, and to speak in this debate on the levelling up and community renewal funds in Wales. I, too, congratulate the hon. Member for Newport West (Ruth Jones) on having secured this debate.

My constituency of Ynys Môn is a priority area for the community renewal fund and a category 2 area for the levelling up fund, and I welcome the opportunity given by the UK Government to bid for these two funding proposals. The funds echo the assessment that my hon.

Friend the Member for Devizes (Danny Kruger) made in his report, "Levelling up our communities: proposals for a new social covenant", that such funds should be

"more local, more human, less bureaucratic".

These funds seek to establish a relationship between the UK Government and local communities. They hand the responsibility for selecting and championing local projects to those who can best represent the needs of a local community—the local authorities and Members of Parliament who represent them.

Ynys Môn has been battered by years of underinvestment from the Welsh Labour Government and has one of the lowest gross value added figures in the country, so when the funds were announced I was inundated with requests, applications and ideas from my constituents. The ideas came from local enterprises, small local charities and individuals, as well as from well-established, wider local community groups. I was already well aware of some of the ideas, but others came out of left field and left me excited about the level of local engagement suddenly activated by these new funding pots.

They offered a range of exciting solutions to local concerns: arts and amenity centres, such as the Ucheldre Centre; local and cultural establishments, such as the Holyhead Maritime Museum; enterprises specialising in bringing employment and regeneration, such as Môn Communities Forward; groups such as PIWS, which wants to facilitate visitor access for the disabled; and many more. There are opportunities that clearly define themselves as falling into the community renewal fund because they are primarily revenue funding; others are candidates for levelling up because they desperately need capital spend and many fall into both camps.

I was delighted to speak to staff at the Isle Of Anglesey County Council about how best to work with them on developing the bids, when to put forward a levelling-up fund proposal and how best to assess which ideas should go forward. It was a great opportunity to engage with Annwen Morgan, the chief executive, and Llinos Medi, the leader of the council, about how the UK Government could support them in an arena that had previously been the remit of EU funding criteria.

I know that rural communities can find it difficult to find the resources to put together bids for funding, so I was particularly pleased that that has been taken into account. The UK Government will provide the Isle Of Anglesey County Council with £145,000 in capacity funding to help it to deliver excellent bids. I, too, offered my own resource to assist in any way that I could. My council is now at the stage of assessing bids for the community renewal fund and I am meeting council officers on Friday to carry out the assessment of which bids will go forward for the 18 June deadline.

Looking to the future, the community renewal fund is the predecessor to the shared prosperity fund, so I expect that feedback from it will inform the future structure of the shared prosperity fund. Similarly, the levelling-up fund criteria are not set in stone and will develop over time. I welcome these funds for all Welsh authorities, including my own. They strip away the old criteria imposed by the EU and apply a more localised approach. They provide funding to help under-resourced authorities develop bids that will stand out and achieve funding, and they encourage local engagement.

This country has had an exceptionally challenging 18 months and we have seen the very best of our communities going above and beyond to support each other. The community renewal fund and the levelling-up fund give the UK Government, local councils and Members of Parliament the opportunity to work together, to invest in and support the very heart of our communities in Wales.

3.3 pm

Stephen Kinnock (Aberavon) (Lab): It is a pleasure to serve under your chairship, Ms Rees. I congratulate my hon. Friend the Member for Newport West (Ruth Jones) on securing this vital debate.

In 2018, the all-party parliamentary group on the UK shared prosperity fund, which I am honoured to chair, set out our expectations of the SPF. One point that we wanted to make very clearly was that we fully accept, and indeed welcome, the transition from the EU role in the structural funds to the shared prosperity fund. We are completely agnostic on the source of the funding and the management of it. We are interested in outcomes and results, and that is what today's debate is about. I ask colleagues on the Tory Benches, please stop propagating the myth that this is about sour grapes on our part. It is not. We all want the best for our communities. It would be helpful if Members stopped using that damaging rhetoric.

Then and now, our clear message was that it is not a penny less and not a power lost. We have urged Ministers to ensure not only that the EU development funding be replaced pound for pound, but that decisions be taken by those who know our communities best, rather than by remote control from Whitehall and Westminster. Fast-forward three years to this debate on what is effectively the pilot for the SPF—the community renewal fund—and unfortunately it is becoming increasingly clear that the APPG's recommendations have fallen on deaf ears.

Our disappointment in the Government's response is based on five central concerns. First, the Government's use of spin, smoke and mirrors means that the announcements are not what they seem. Money is moved and funds are rebadged to give the impression of extra resources, but the reality is that there is no new money.

Secondly, it is clear that the programmes are being used for nakedly political purposes and not directed to communities with the greatest need. Perhaps the most egregious example of this pork barrel politics came when a chunk of the towns fund was siphoned off to the Chancellor's wealthy constituency. Now we see the same shenanigans with the UK community renewal fund, which includes so-called priority areas such as Derbyshire Dales, Herefordshire and Richmondshire, yet excludes the likes of Caerphilly and Bridgend. It is precisely the same story with the levelling-up fund and there could be more trouble ahead. If the community renewal fund is anything to go by, the £1 billion shared prosperity fund will be a veritable bonanza of pork barrel politics for Conservative MPs.

Thirdly, the bidding process seems to have been designed to hinder effective delivery. Its competitive nature is not only inconsistent with the stated purpose of targeting on the basis of greatest need, but wastes precious local authority time and resources and is too short term. The community renewal fund is allocated money for only a

[Stephen Kinnock]

one-year cycle, whereas the EU funding stream was allocated on the basis of seven years of funds to communities that fell below a certain level of deprivation. Will the Minister therefore please commit today to scrapping the inefficient competitive bidding process for the shared prosperity fund and replacing it with a system based on the strategic allocation of resources over a multi-annual period?

Fourthly, the Conservative Government's centralised approach betrays the basic principle of devolution. Until recently, spending on regional and local economic development was a devolved matter, or, in the context of EU funding, undertaken by the devolved nations within a framework agreed between the UK and the EU. The Scottish and Welsh Governments are major players, with responsibility for agencies that play a big part in local and regional development. The UK Government must therefore bring the devolved Administrations into the heart of the decision-making process. The Welsh Labour Government know Wales, its economy, its needs and its people far better than a civil servant in Whitehall can ever do.

Finally, the delivery timescale of the community renewal fund and the levelling-up fund is frankly shambolic. Already overstretched council teams, who are dealing with the demands of a pandemic, are being asked to meet unrealistic deadlines with incomplete information on the funds. Neath Port Talbot Council has done a fantastic job in putting proposals together at the last minute, but it could better serve residents if it were given more time and information.

The terms "levelling up" and "community renewal" should have real meaning—to the constituents we represent, to the areas that have been hit hardest by 11 years of austerity, and to the industries and sectors that have been hardest-hit by the pandemic. Unfortunately it appears that, for the UK Government, they are little more than slogans.

3.8 pm

Dr Jamie Wallis (Bridgend) (Con): It is a pleasure to serve under your chairmanship, Ms Rees, for the first time. I congratulate the hon. Member for Newport West (Ruth Jones) on securing the debate. I agree with the comments that it is very timely, ahead of the 18 June bidding deadline.

It is also a pleasure to follow the hon. Member for Aberavon (Stephen Kinnock), who made some great points, particularly on assessing the impact and delivery of the funds, as opposed to getting bogged down in where the money came from, who managed it and exactly what happened along the way. That is what my constituents care about. They want to see the regeneration of Porthcawl and of Bridgend town centre. They want this investment in their community for themselves and their families, and they are not interested in politics.

I draw the attention of Labour Members who said that they feel a greater role for the Welsh Government is needed to what is happening in Wales about freeports. It is a classic example of where the two Governments are supposed to be working together to deliver that fantastic initiative in Wales, yet we are well behind our counterparts in England because the Welsh Government cannot seem to come to the table to talk about basics. They say they want a greater role in the levelling-up fund and the community renewal fund, but how can they ask for that when they have so badly let down the communities across Wales when it comes to implementing the UK Government's freeports policy?

I welcome these funds—both the levelling-up fund and the community renewal fund. They are opportunities for direct investment in communities across Wales and as the Member of Parliament for Bridgend, I am very grateful for them. That is because one thing that we need to remember is that Wales has two Governments—not one, or one in one place and one in another. It has two Governments that should work in parallel, delivering on their respective briefs.

The levelling-up fund was a key manifesto pledge that we made, and our levelling-up agenda is key and has been for some time. It is not a secret; it is not out of the blue. We have been talking about it for a long time and now we are finally going to deliver on it.

I will also talk about the involvement of MPs. Lots of comments have been made about who is best placed to make these decisions, support these bids and direct this funding. Actually, it is really great news that these funds will place some emphasis on what MPs have to say, and will encourage a greater working relationship and facilitate dialogue between MPs and their local authority. That surely counts for a lot when it comes to ensuring that the people and communities get what they are asking for.

The point made by my right hon. Friends the Members for Vale of Glamorgan (Alun Cairns) and for Preseli Pembrokeshire (Stephen Crabb) is that some of the areas in Wales that are currently in receipt, or that were in receipt, of the highest amounts of EU funding were the ones that voted for Brexit. That should not be lost on us, because when I was knocking on doors, speaking to constituents or receiving emails from them, it became clear to me that there was a huge disconnect, despite what people say, regarding the way those funds were managed. There was a huge disconnect between what people felt they needed in their village, town or community and what actually got delivered. Having a fund designed by the UK Government for the people of Wales, in which the local Members of Parliament are very active, is a very viable and good way of doing things.

As far as the community renewal fund is concerned, which, as we have heard, is the precursor to the shared prosperity fund, my hon. Friend the Member for Ynys Môn (Virginia Crosbie) said that we want to see this system evolve, which is a fair comment, and that we want the Government to learn the lessons from that fund before the SPF is implemented. We also need to ensure that the formulas used to determine the priority groups are a little bit more transparent, as the hon. Member for Caerphilly (Wayne David) highlighted; we perhaps need some more information from the Government on that. There were also comments that getting some clarity on the dates and details of the second and third rounds of bidding would be appreciated. I am grateful that the Minister is here today, hopefully to provide us with that clarity.

3.13 pm

Craig Williams (Montgomeryshire) (Con): It is a great pleasure to serve under your chairmanship, Ms Rees for the first time, I believe.

Like others, I welcome this debate and congratulate the hon. Member for Newport West (Ruth Jones) on securing it. However, I think that there is some important context to it. I was won over by the hon. Member for Aberavon (Stephen Kinnock)—although I think we are all hon. Friends today in talking up Wales—on the importance of outcomes rather than governance.

The hon. Gentleman convinced me not to talk at length about this issue, but I will touch lightly on the setting up of Welsh European Funding Office, or WEFO. If we look at the comments from decades ago when that was funded, we see similar points to those being made in this debate today. There were similar criticisms of how WEFO was set up and how EU structural funds were being spent.

There are teething issues with new funds. I hope that the Minister will touch on them, go further with the dates and will explain exactly how the new arrangements will work. But there are some cheap political points being thrown around here, which do not do justice to what the hon. Member for Aberavon was talking about, namely focusing on the outcomes that this money is meant to achieve.

I will make one last point about WEFO. It is the fact that Wales qualified three times for the highest EU structural funds. Areas of eastern Europe that were just recovering from serious Communist rule recovered at a quicker pace than the Welsh Government and WEFO enabled many areas of Wales to do.

So the hon. Gentleman will forgive me and my constituents if we want to try something different this time; I hope that he will forgive me and my constituents if we look to the UK Government to get money directly into projects in our constituencies. We will be judged on the outcomes: I very much welcome that and I will give the Minister a hard time on outcomes and any commitments made about funding. If this was Barnettised, we would be getting less money now. That minimum 5% promise—I hope it is much more than that—is more than the Barnett consequential, so there are some cheap political shots.

I have been working and talking with my local authority, which has hugely welcomed the fund, the fact that it can engage directly with the UK Government and the breadth of funding that that will release over the longer term. It hugely welcomes the new funding pots to which it can go directly. Of course, it wants collaboration with the Welsh Government, and so do I, but that works both ways.

When the Welsh Government put money into broadband, I welcomed that. It is a reserved area, but we need to work together. When the Welsh Government opened foreign embassies and employed people around the world working on trade and investment—a reserved area—I welcomed that; we need to work together. However, the second the UK Government dare to send a Minister over the border or dare to create new funding pots for our constituents and businesses, there are outcries. That is not collaboration. The Welsh Government cannot have it both ways. They cannot invest in any area of policy they want and then cry the second the UK Government do so.

While my hon. Friend the Minister may be an English MP, I implore him to reflect on the invite from the hon. Member for Caerphilly (Wayne David) to go and visit his constituency: he can also visit my constituency, because he is a UK Government Minister. This involves Wales, Scotland, Northern Ireland and England—I would prefer to see investment given in that order—and he is really a Minister who represents all four corners.

I will finish with just a hint of what this means to Montgomeryshire and the excitement felt on the high streets of Welshpool, Machynlleth, Newtown and especially any community that looks at the Montgomery canal. The Minister will be getting a bid—a fabulous, spectacular bid; one that stacks up, I am sure, and one that I hope he okays—to open the Montgomery canal back to the UK network. It is a great Union story, but it is also a huge opportunity for mid-Wales and for Montgomeryshire tourism, but one that I fear would not ever have happened if we did not have these funding pots and these new UK Government initiatives.

We will be judged on outcomes, and I have no doubt that at the next general election the outcomes of these pots will be absolutely central to votes in Wales. So, no pressure, Minister, but we will be watching. I seriously ask Opposition Members to examine their rhetoric and think about what they are asking for. They are not English MPs. We are all Members of the United Kingdom Parliament and they should expect both Governments —UK and Welsh—to invest in their constituencies.

3.18 pm

Beth Winter (Cynon Valley) (Lab): It is lovely to serve under your chairmanship, Ms Rees. I thank my hon. Friend the Member for Newport West (Ruth Jones) for securing this important debate.

Wales was the UK nation that benefited from EU funding most, including in my constituency of Cynon Valley, which is extremely deprived and has one of the highest rates of child poverty in the UK. It is extremely concerning, as others have already illustrated, that these schemes will not provide a fraction of the funding and will fall short of what is needed to replace what we had under EU funding in Wales. Yes, we all welcome the funding, but let us not pretend: it is a fraction of the funding that we had previously under the EU. "Not a penny less" is being translated to millions of pounds less by the UK Government, and that is after 10 years of brutal austerity that has had a devastating impact on communities in Wales. The funds are forcing us into a competitive bidding process, pitting local authorities against one another. That is not consistent with my understanding of "levelling up", which, by its very definition, should target less prosperous areas. A far more effective way of boosting local economies would be through cross-border collaborative working, and that is not happening.

The methodology used to prioritise constituencies is seriously flawed. I cannot understand why deprivation has not been used as a measure for the levelling-up fund, and we have yet to see the methodology used to select the community renewal fund's priority areas. As priority has not been assessed on a needs basis, prosperous areas have received extra funding—including the constituencies of both the Chancellor of the Exchequer and the Minister of Housing, Communities and Local Government—while deprived areas in Wales such as Bridgend and Caerphilly have been excluded, as colleagues have already said.

The timescale, as has also already been said, does not allow for strategic, creative or transformative projects to help local communities. The Tory Government have

[Beth Winter]

a proven record of supporting their pals and cronies, and I have serious concerns that the money will be used to bolster Conservative incumbents. The experience of the towns fund in England does not instil confidence in me. The fund, totalling £3.6 billion, went overwhelmingly to Conservative target seats, and when scrutinising the spending, the Public Accounts Committee said that the distribution had

"every appearance of having been politically motivated."

I fear that the Government are more interested in electioneering than in making lasting improvements to our communities.

The shortcomings, confusion, lack of clarity, misinformation and—quite frankly—shambles of the entire process were highlighted at the recent Welsh Affairs Committee attended by me and other Members here today. We heard evidence from local authority leaders, the Welsh Government, and the UK Government. There was a clear discrepancy between the evidence and experience of those in Wales and what was being said by the UK Government. Yes, Welsh Government and local authority leaders want a collaborative and inclusive approach, but they clearly said that that has not been happening—I have a transcript. They want to work with UK Government, but they are being excluded from the process.

Another concerning issue that came out in the evidence was the lack of clarity over the roles and responsibilities of different UK Departments, especially in relation to decision making: what roles the Wales Office and the Department of Housing, Communities and Local Government would play. I would appreciate clarity on that issue from the Minister. That session really did raise more questions than answers. As a Committee, we will collectively pursue some of the issues that arose further.

The whole approach is, without a doubt, another example of UK Government riding roughshod over the devolution settlement. Decisions about Wales should not be made by Departments in Whitehall, which have no experience of delivering projects in Wales. We have a democratically elected Government in Wales, and they are best placed to make decisions for Wales. I and many others in Wales do not trust the Tory Government to deliver change. We do trust our Welsh Government, as evidenced by the Senedd election results last month. I strongly urge the UK Government to take a collaborative, inclusive approach, working with the Welsh Government and local authorities to control the Wales levelling-up allocation, and it must be based on a principle of "Not a penny less, not a power lost".

3.23 pm

Robin Millar (Aberconwy) (Con): It is a pleasure to serve under you, Ms Rees, in my first Westminster Hall debate. I congratulate the hon. Member for Newport West (Ruth Jones) on securing it.

I start by saying that I welcome the UK Government's vision for investment in Wales, their involvement in all parts of the UK, and their encouragement of a strong working relationship with the devolved Administration in Wales. I also welcome the timing of this debate as we transition out of Europe and out of a pandemic. Like my hon. Friend the Member for Ynys Môn (Virginia Crosbie), I could list the many local projects and groups that have been eager for funding and that have contacted me for information about the lifeline given to them. I am reminded, however, of the tourist lost in the countryside who stops to ask a local person for directions. The local pauses and says, "If I were you, I wouldn't start from here." The sentiment is legitimate but the advice is unhelpful, and that is the case too—I am afraid—for much of what we have heard from Opposition Members in this debate. To make progress ourselves across this landscape, it is essential that we establish what is fact, and build our arguments from that ground. I hope to do just that with my contribution today.

First, we must acknowledge that sovereignty lies with the UK Government, here in Westminster. In recent weeks, we have heard other ideas and aspirations: that sovereignty is pooled, that it is between equal constituent parts of the UK, or that it would be even better if federated. The kindest word for these ideas is "aspirational". It is not how things are.

The United Kingdom Internal Market Act 2020 and the mechanisms of financial transfer created within it, which will deliver the funds that we are discussing today, were established here in Westminster. When the Welsh Government sought to challenge the UK Government, Lord Justice Lewis, sitting with Mrs Justice Steyn, refused the application stating

"the claim for judicial review is premature"

and noting that it was "unnecessary" and "unwise" for them to give a view on the Welsh Government's arguments. So the first fixed point for our journey is that these funds are properly and legitimately conceived by the UK Government for the benefit of UK residents in part of the United Kingdom.

Secondly, I am sure we can all agree that decisions should be taken and functions delivered closest to where they will have their effect. That principle of subsidiarity balanced by pragmatism underpins localism and devolution. However, devolution of powers from Westminster to Cardiff Bay has not carried on beyond Cardiff to local authorities in Wales. What the Senedd has seen as good for itself has not extended to what it thinks is good for local authorities in Wales, including the administration of funds.

In 2020, the Welsh Government was the lead organisation for about 53% of the total EU funds awarded to Wales; Welsh local authorities were entrusted with less than 10% of project funding. By contrast, in England, just 7.4% of funds were handled by the UK Government, whereas local authorities were responsible for almost 37% of funds. That is not just my observation—the Welsh Local Government Association also knows it. Its "Manifesto for Localism" puts greater fiscal autonomy and flexibility for councils at the heart of plans for recovery from the pandemic. The second fixed point, then, is that the funds are consistent with the principles of subsidiarity, real devolution and trust in local decision-making.

My third and final point is representation. The cry goes up that money spent in Wales should be decided in Wales—that the true representation of Wales is in Cardiff. The fact is we are all here in a UK Parliament by the votes of UK residents. Anyone who suggests that we are not representative of Wales should think very carefully about what they are implying about their own legitimacy and the judgment of the residents who put us here. After all, turnout in the general election 2019 was 67%, but it was just 47% in the recent local elections in Wales.

At its heart, this debate is about trust, and not funding. I am here as a resident and representative of Aberconwy, trusted by its residents to influence the decisions made on their behalf in this place. I welcome the dialogue I am having with Conwy County Borough Council and I am excited by its vision. I cannot think of a single neighbour, resident or community in Aberconwy who will be upset by the offer of these funds, and I am confident of the positive impact the funds will have on the lives of those who live, work and play in Aberconwy.

3.28 pm

Simon Baynes (Clwyd South) (Con) [V]: It is a pleasure to serve under your chairmanship, Ms Rees. I congratulate the hon. Member for Newport West (Ruth Jones), a fellow member of the Welsh Affairs Committee, on securing this debate.

I strongly support the key principle that lies behind these two funds—namely, the UK Government's commitment to levelling up the whole of the United Kingdom, all parts of the Union, to ensure that no community is left behind. A very important feature of the funds is that they involve decentralising power and working more directly with local partners and communities across Wales and the UK, who are best placed to understand the needs of their local areas and are more closely aligned to the local economic geographies to be able to deliver quickly on the ground. I am an MP for north Wales, which often feels forgotten by the Labour Welsh Government in Cardiff so, for me, this decentralised approach is particularly welcome.

I welcome the UK Government's provision of an additional £220 million of funding through the UK community renewal fund to help local areas prepare for the launch of the UK shared prosperity fund in 2022. I welcome the fact that the community renewal fund, which is largely revenue based, aims to support people and communities most in need across the UK to pilot programmes and new approaches, and that it will invest in skills, community and place, local businesses and supporting people in employment.

I have seen the benefits the levelling-up fund could bring to my own constituency of Clwyd South through the bid currently being prepared jointly by Wrexham County Borough Council and Denbighshire County Council, which focuses on projects along the Dee Valley, including the regeneration of the Trevor Basin, as well as improved travel connectivity and investment in Chirk, Llangollen and Corwen. It provides a unique opportunity for the councils to access funding from the UK Government to bring forward significant development and regeneration opportunities, which both councils have been developing since the inception of the 11-mile world heritage site in 2009, making the most of the Llangollen canal and steam railway.

The levelling-up fund is a game changer and will help to deliver a fundamental shift in aspiration, confidence and opportunity. That is all the more important to an area with a desire to emerge from the worst recession in living memory and a worldwide pandemic with a renewed vigour and determination to put the world heritage site where it belongs: at the heart of the visitor economy in the region and at the centre of the drive for prosperity in north Wales.

I am very pleased that at least £800 million of the total £4.8-billion levelling-up fund will be invested in Wales, Scotland and Northern Ireland, and that, for the first round of funding, at least 5% of the total UK allocation will go to Wales. That is as much as, if not more than, what would have been received through the Barnett consequentials. Further to this, of course, each of the 22 local authorities in Wales will receive £125,000 in capacity funding to help build their relationship with the UK Government and draw up top-quality proposals. Wales has proved to be at the leading edge of those councils putting forward proposals, with 13 out of the 22 local authorities in Wales having applied in the first round of funding—the highest percentage of any part of the Union.

The UK Government intend to create careers, not just jobs. Their objective is to make sure that wherever you are born and grow up, you will have a fair opportunity to succeed in life and do not have to leave your home town to find a good career.

In conclusion, levelling up is about not just the physical infrastructure of communities, but the social infrastructure, supporting local transport, high streets—*[Interruption.]*

Christina Rees (in the Chair): The hon. Gentleman seems to be frozen and I do not think we will get him back.

3.32 pm

Wendy Chamberlain (North East Fife) (LD): It is a pleasure to serve under your chairmanship, Ms Rees, and I apologise for my delay in making it to the Chamber. I congratulate the hon. Member for Newport West (Ruth Jones) on securing this debate.

The hon. Member for Aberavon (Stephen Kinnock) said that we should be outcome focused, and I absolutely agree, but I also argue that good processes help to deliver good outcomes. The initial deadline of 18 June means there were 74 working days, in the context of responding to the pandemic, for local authorities to process what was needed and to make applications. That is clearly insufficient time. For the community renewal fund, the spending must be completed by 31 March 2022. Therefore, applications are limited to projects that are ready to go, rather than those that would take a longer time and arguably deliver better outcomes. I reiterate the point made by the right hon. Member for Vale of Glamorgan (Alun Cairns): this disadvantages smaller local authorities that do not have the same capacity and will not have an ongoing programme of funding bids.

Previously, 40% of Welsh apprenticeships were funded by EU structural funds. The current funding will provide £220 million to the whole UK. Wales, as many Members have said, is guaranteed at least 5% of that, which is £11 million. I struggle to see how else that can be explained other than as a loss of over £300 million of funding to Wales. The prospectuses of both funds stress that they are competitive and point to the need to get value for money. That intrinsically suggests that the process is driven by cost savings and not communities.

Other Members have mentioned the process of how the two funds have been created and that their formation has not been transparent. The Welsh Government do

[Wendy Chamberlain]

not appear to have had any meaningful engagement. This lack of transparency makes it appear, at the very least, as if that information has been given strategically to Conservative Members of Parliament. Both funds state that the only role of the Welsh Government in the decision-making process is to consult as appropriate. Ultimately, this is the centralisation of a decision-making process and it omits the devolved Administration.

I conclude with two questions that I would like the Minister to address today. Given the importance of maintaining strong UK relationships—as a Scottish MP, I take an interest from that perspective, too—will the Secretary of State and the Minister commit to a meaningful relationship with the Welsh Government in the formation and administration of the UK shared prosperity fund? Was it discussed at last week's four nations meeting? When will Parliament receive a full read-out of that meeting from the Government?

Secondly, can we get a clear outcome on how the Government plan to meet their pledge that Wales will not lose out on funding that it previously received from the EU, including whether certain areas and priorities will lose funding?

3.35 pm

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): It is a pleasure to serve under your chairmanship for the first time, Ms Rees. I congratulate my hon. Friend the Member for Newport West (Ruth Jones) on securing today's important and timely debate.

We have heard about the additional funding to Wales, and let us be in no doubt: there is nobody who will not welcome funding to Wales, wherever it comes from. However, the Welsh budget is still lower per person in real terms than it was in 2010, so that additional funding is all the more important. The important issue today, as we have heard from a number of Members, is the lack of clarity, which is causing concern. There are questions about why some areas have been identified for funding and others have seemingly been overlooked, as well as over the incredibly short timescale for submitting bids.

Then there is the top-down, Whitehall-led approach that the Government have insisted on using for both funds. Welsh local authorities, like my own in Merthyr Tydfil, and Caerphilly County Borough which covers the upper Rhymney valley part of my constituency, have had 20 years' experience of working together through the Welsh Local Government Association and alongside the Welsh Government to deliver successful regeneration projects. It is deeply concerning that instead of a strategic, joined-up approach to investment in tackling the urgent issues affecting our communities, we now see a centralised Whitehall-led approach being administered by Departments with no real understanding of the needs of Welsh communities. They have limited experience of working with communities in Wales and little understanding of the priorities of those communities, and there is a complete bypassing of devolution, as we have heard numerous times this afternoon. That is not the partnership approach that we could have all supported; it is a real step backwards.

I want to give the Minister one example. Some years ago, prior to entering this place, I was a local councillor and was heavily involved in a regeneration strategy in my own local community in New Tredegar. A hugely successful regeneration project had £6 million of EU funding, but that was only a catalyst and we also had funding through the Welsh Government, the private sector, the lottery and other charitable partners—and not least the local community. Fifteen years later, those projects are still going from strength to strength. I illustrate that example because of the nature of the partnership between a number of agencies, not least the Welsh Government.

During this afternoon's debate, my hon. Friend the Member for Newport West talked about the vital need for transparency, fairness and balance. She talked about not doing "to" communities but doing "with" communities, and I think that is a hugely crucial point. The right hon. Member for Preseli Pembrokeshire (Stephen Crabb) talked about the need for greater involvement of local authorities, because it is local authorities, after all, who know their communities best.

My hon. Friend the Member for Ogmore (Chris Elmore) talked about the need for funding across all of Wales, as well as the question raised by various Members on the future rounds of funding and the role of MPs in the process. I declare an interest in that, because I am in the same situation as my hon. Friend as we cover a number of areas. There are important questions within that.

The right hon. Member for Vale of Glamorgan (Alun Cairns) said that some parts of the House seemed to welcome EU funding but not UK Government funding. I do not think anybody is suggesting that in the slightest. The important point is that all funding needs to be co-ordinated better with all partners, not least the Welsh Government and local authorities, as I have said.

My hon. Friend the Member for Caerphilly (Wayne David) talked about the poorest communities in some of our constituencies, my own included. The Caerphilly borough, as he mentioned, covers two and a half constituencies, and contains some of the most deprived communities in Wales, if not in Europe. Some of those communities have been on the Welsh index of multiple deprivation over a number of years, so for them to be excluded from the community renewal fund's priority list is just mind-boggling. My hon. Friend also cited examples of other areas across the country that are not deprived, or do not appear to be. There are real questions about the criteria used for this fund, and as we move forward with the shared prosperity fund, those questions will become even more important.

The hon. Members for Ynys Môn (Virginia Crosbie), for Aberconwy (Robin Millar), and for Clwyd South (Simon Baynes) talked about the abundance of local projects in their areas. Those have been worked up, and I think we all share that experience right across the House.

My hon. Friend the Member for Aberavon (Stephen Kinnock) talked about the all-party parliamentary group on the UK shared prosperity fund, and the disappointment that there is no new money and that the funding is not diverted to those communities in the greatest need. That issue of tackling need and deprivation in communities is something that has come up throughout today's debate, as well as in the Welsh Affairs Committee recently and in a number of other conversations, so it really does need to be addressed.

The hon. Member for Bridgend (Dr Wallis) talked about freeports and projects that we would like to see go forward. However, I gently ask him to compare the level of money provided in England—the £25 million or thereabouts—with the £8 million that is offered for the same projects in Wales, and then question why there are barriers to those projects going forward in Wales.

The hon. Member for Montgomeryshire (Craig Williams) talked about an issue that a number of Members raised, and which the Minister will hopefully address in his summing up: clarity about the dates of future rounds. He asked us to think about trying something different. We are all up for trying something different, but it does need to be inclusive of all partners, so I ask him to make that request of his own side to ensure that all partners, including the Welsh Government, are included in the process.

My hon. Friend the Member for Aberavon also talked about the need to target deprivation and about the lack of clarity that emerged in the recent session of the Welsh Affairs Committee. The hon. Member for North East Fife (Wendy Chamberlain) talked about the focus on outcomes and about the hugely challenging timescale and deadline for these funds. I hope I have not left anybody out.

I want to ask the Minister a number of specific questions, some of which have been addressed during the debate. Areas such as those covered by Caerphilly and Bridgend County Borough Councils have been excluded from the priority lists for the community renewal fund. As I mentioned, and as we have heard during the debate, those areas contain a number of the poorest and most isolated communities in Wales, and the fact that they have not been included is mind-boggling.

I and many other colleagues have called for clarity about the shared prosperity fund for a number of years, and we are told that it will possibly be launched next year. Will the criteria set out for the community renewal fund, which has been badged as a precursor to the SPF, be binding on the roll-out of the SPF, or will there be greater flexibility? Will the Minister commit to having another look at the deprivation issues, and at deprivation being a factor in those criteria? That is something that has been puzzling a lot of us.

MPs such as my hon. Friend the Member for Ogmore, who talked about straddling two county boroughs, are in an impossible situation. Surely it would make more sense for funding to be allocated on a local authority basis, rather than a constituency basis, and for those local authorities to devise projects and take them forward. Can bids be submitted by two local authorities in two separate rounds with the MP's support, or is it the case that once a bid has been approved—possibly in the first round—that is it for that constituency? If we could get that clarity soon, before the first round, that would be helpful.

Finally, what measures will the Minister take to ensure that we can move forward in a spirit of collaboration involving all partners? As I said at the start, any investment is welcome, but it should be done in partnership with regional and local government, and the Welsh Government, who all have significant experience in these areas. Speaking as somebody who is very much pro-Union, we achieve much more when we all work together in partnership for the good of all.

3.45 pm

The Minister for Regional Growth and Local Government (Luke Hall): It is a pleasure to serve under your chairmanship, Ms Rees, for the first time I believe. I thank the hon. Member for Newport West (Ruth Jones) for securing this hugely important and timely debate. It has been a constructive and informed debate about the issues that we face in delivering these funds. The one thing that has definitely united every contribution today is that everybody in the Chamber wants to secure the best possible future for their constituencies and their communities. Despite differences of opinion, we all agree about the importance of delivering for Wales.

As a Government, we are absolutely committed to unlocking economic prosperity across all regions of the United Kingdom. That is why we believe in levelling up as a central part of our economic agenda. As part of that, we want to address long-standing economic inequalities and deliver opportunity for people, regardless of where they are born or grow up. We want everyone to have the same access to life chances.

A number of both thematic and technical questions have been raised in the debate, and I will try my best to answer as many of them as possible. I want to touch on a large number of them. For the first time in years—decades, maybe—we can provide direct financial support to regenerate towns, high streets and communities right across the country through the United Kingdom Internal Market Act. I think people want to see that type of investment in cultural and heritage assets and high street regeneration, which are so critical to levelling up. Those powers are in addition to the existing powers of the devolved Administrations, and we want to work very closely with them to make sure that they are used to the best effect. We are very conscious that effective relationships in the UK Government—between my Department and Ministers in MHCLG and other Departments—will be critical to making sure that we level up in the way that we intend. That has been a big theme of this debate.

I do not agree with the assertions that we have not engaged with the Welsh Government or local authorities during the course of the development of the funds; we have been engaging with the devolved Administrations and local authorities since 2016, when we started holding engagement events to look at the design of the successor to the EU structural funds. We have held a number of those events right around the United Kingdom, with more than 500 stakeholders attending, including a number of them in Wales.

We held four events in Cardiff and one in St Asaph in January 2019, which Welsh Government officials attended. A key theme that came through in those sessions, including in points made by the Welsh officials, was the need to reduce the bureaucracy of EU funding; another was to make sure that we have the opportunity for collaborative projects across boundaries in Wales. The sessions in Cardiff looked at similar themes, including how to administer the UK SPF and the investment priorities for Cardiff. We held those events with Welsh external experts from a number of different sectors: rural development, business, higher education, the voluntary sector, the community sector and, of course, local authorities.

We also looked at the findings of the Welsh Government's consultation on replacing EU structural funds. We were very supportive of their recommendation for local

[Luke Hall]

authorities in Wales to have a greater role than was available under the delivery of EU structural funds. That is at the heart of the approach we are trying to take here. It is not just about the involvement of the Welsh Government—that is hugely important—but about local authorities, communities and others. That is a key part of this work. We think local authorities can come up with creative local solutions to local issues. That is exactly what we are trying to achieve with this fund.

Hon. Members were right to highlight the fact that we need a constructive relationship with the Welsh Government moving forward. We absolutely want that, which is why we are setting up an inter-ministerial group with the Welsh Government, to have a regular forum to discuss these matters and make sure that there is open dialogue about the importance of these funds. We are also engaging with the Welsh Local Government Association, which I am meeting next week.

The hon. Member for Caerphilly (Wayne David) asked, importantly, whether we will prove that we will engage by visiting constituencies. I would be absolutely delighted to cross the bridge, which is in my constituency, and meet him to discuss that further. The same offer, of course, goes to those on the Opposition Front Bench—I am always very happy to discuss these matters on a collaborative basis.

A number of questions about the levelling-up fund were raised in the course of the debate. It is a £4.8 billion fund that is a hugely important opportunity for our whole country to invest in infrastructure that matters. Those are exactly the things we have heard about during the debate. At least £800 million of the levelling-up fund will be invested in Scotland, Wales and Northern Ireland over 2021-22 through to 2024-25.

I would reinforce the points we heard about the first round of funding, in which at least 5% of that allocation went to Wales. That means Wales will receive more under this design than if the money were Barnettised, because that money is a floor, not a ceiling. That point was well made by my hon. Friend the Member for Montgomeryshire (Craig Williams). This is categorically a better deal for Wales, offering a larger share of funding than would have been delivered otherwise. That is underpinned by the certainty of Wales being no worse off than under this approach.

There are other advantages, as this allows us to maximise the strategic benefits of the UK Government. We have seen how that has worked effectively over the past year or so in delivering covid support. As we heard today, we have also allowed, under the design of this funding, cross-border bids to come in. We heard about some exciting opportunities for cross-border bids. The levelling-up fund and the community renewal fund have been specifically designed to allow cross-border bids, which will be another tool to bind our Union even closer.

This process also allows more direct and greater local authority and community involvement. Hon. Members rightly talked about the index we published, which categorises different parts of Wales, and 17 of the 22 local authorities in Wales are priority places for the levelling-up fund. That will help all those local authorities in the bidding process.

I will try to answer a number of the technical questions that were asked. There was a recurring question about deadlines put in place for the first round of levelling-up funding. We have tried to put in place a system that allows local authorities to get moving on projects that they want to deliver in a timeframe. We heard from a number of Members about the need to demonstrate real delivery in the years ahead. That is what we are trying to achieve. We do not want to hold back local authorities that have projects that are ready.

From the engagement we have had with local authorities in Wales, it is appears that they are well prepared for the process: 13 of the 22 local authorities in Wales have told us that they are submitting bids to the levelling-up fund by the deadline later this month. Every single local authority in Wales has opened calls for projects for the community renewal fund. That is a higher percentage for both funds than any other nation in the UK. Local authorities in Wales are well prepared to get their bids in.

I would highlight the importance of the £125,000 capacity funding that we are providing to councils. That helps them to build a new relationship with the UK Government and to start gearing up to deliver the funding. We are excited about the opportunities that that brings. There were also questions about dates around funding, and we will be setting out details later this year. We do not have a specific date that I can give today.

Another question was about how MPs support bids in the usual way. It is important that MPs write to their local authorities, making clear which is their preferred supported bid under the levelling-up fund. If MPs want to support other bids that do not count as part of that weighting process, they can do so by writing to me or to the Secretary of State, or by supporting a bid through their local authorities, making clear which is their approved bid.

The question was asked whether once a bid is approved, that is it. It is a case of one successful bid per constituency in this Parliament. If that bid is successful and a project is being delivered in a constituency, it will not be eligible for a later round of funding. There was a technical question from my right hon. Friend the Member for Vale of Glamorgan (Alun Cairns) about feedback on the bids that do not pass the process. Places will receive feedback. We want to ensure that, if people do not pass the first stage, they are in a good situation to submit a second bid.

There was a question about the role of the Wales Office. On the funds we have already launched—the levelling-up fund and the CRF—where appropriate, we will seek advice from the territorial offices and the devolved Administrations at the shortlisting stage. We had questions about the IMD and why deprivation is not included. It is not included because it is not a catch-all that reflects the outcomes from the funds that we are trying to deliver, but I have heard that representation loud and clear. We heard a number of points about the UK community renewal fund and the need to improve on the delivery of EU structural funds. We absolutely take that point; a large number of Welsh local authorities are identified as priority places.

We heard from the hon. Member for Aberavon (Stephen Kinnock) about the importance of focusing on delivery. There are a number of lessons that we want to learn from the UK CRF, informing delivery of the

UK SPF. I am afraid that I do not have time to go into them now, but I am happy to speak in more detail another time if the hon. Gentleman wishes me to do so. We are absolutely conscious of the need to make sure that this is positive investment delivered into Wales. We think that there is a big opportunity for the UK SPF to do that.

I have two last quick points. The first is on the MP's role in delivering the funding, which was raised by my hon. Friend the Member for Bridgend (Dr Wallis). We think MPs have an important role to play in bringing together local stakeholder opinion, in helping to make the decision and in helping stakeholders to submit bids and work with Government.

There are so many more questions that we could have answered, and I am happy to meet any colleague here today who wants to talk about the matter in more detail. We believe that these are important funds, critical to the levelling-up agenda, that we are investing in exciting opportunities across Wales. I look forward to working with colleagues in delivering them.

3.56 pm

Ruth Jones: I thank all those who have taken part in the debate. It was relatively harmonious, because—let's be honest—we are all here today to fight for the best for our communities. Let me be clear that no one here is dismissing the moneys on offer in these funding streams, and we are grateful, but we need assurances from the Minister that Wales will receive its fair share of replacement moneys now we have left the EU.

Speakers today, including my hon. Friends the Members for Ogmore (Chris Elmore), for Caerphilly (Wayne David) and for Cynon Valley (Beth Winter), and the shadow Minister, have highlighted the confusion that still exists around the bidding process, and around the number of rounds and the criteria that successful bids will be judged by. We need clarity, and we need it now. I am grateful for some of the Minister's answers, but I urge him to go further and make the process clearer for us all—as quickly as possible please.

It has been good to be able to discuss the new funding streams in a relatively collegiate manner. As my hon. Friend the Member for Aberavon (Stephen Kinnock) said, outcomes and results, not partypolitics, are what we need here. It is not about where the money comes from; it is about making sure that the people of Wales get what they deserve. The funds are much needed, because after 11 years of Tory austerity, Wales has been hit hard. It is time that those wrongs were righted—and quickly. As the hon. Member for North East Fife (Wendy Chamberlain) said, last year Wales received £375 million from the EU, whereas this year there is just £220 million for the whole UK. We are going to be missing out on funding here.

The Minister spoke about the Barnett formula. We were not talking about Barnett, however, because the money was not Barnettised, and we do not want it Barnettised now either. We just want Wales to have the fair share that it deserves. The overarching concern remains the same: why does the Minister not want to empower the democratically elected representatives of the people of Wales to direct what is spent, and where?

In drawing the debate to a close, I thank you, Ms Rees, for your excellent chairmanship. I also thank those who have taken part, and the Minister for his response and his time. I am sure that this will not be the last debate on the vital topic of funding for Welsh communities, and that there will be many more questions, and hopefully clear, concise answers, in the weeks and months to come.

Question put and agreed to.

Resolved,

That this House has considered the Community Renewal Fund and Levelling Up Fund in Wales.

3.58 pm

Sitting suspended.

Delivery Charges in Highlands and Islands

4.5 pm

Christina Rees (in the Chair): We do not have anyone participating under the hybrid arrangements today, so Members attending physically should clean their spaces before they use them and before they leave the room.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I beg to move,

That this House has considered delivery charges in Highlands and Islands.

It is indeed a pleasure to serve under your chairmanship, Ms Rees. Like many before me, I represent a part of the world that suffers from delivery charges and surcharges, misleading delivery ads, and a general feeling that we are always being forgotten about and simply punished for our postcode.

In my short time in this place, I have discovered that it is customary to show off some statistical knowledge, so please bear with me and allow me to put this on the record. People living in the Highland Council area pay the highest average price for large parcel deliveries. Compared with other general regions of Scotland, the highlands and islands pay the highest average price at every parcel size and have the lowest delivery availability probability—that is, parcels that they will not get. To be precise, my constituents pay, on average, £14.67 more than people in the south of Scotland for a large parcel. For a small parcel, they pay about £5 more. The delivery prices we pay in the highlands and islands are 20% higher than those paid by my friends in Glasgow.

That is enough of statistics. The other day, my constituent Graham, a brave man who served Queen and country for long enough, came to see me about a teensy little parcel containing two tiny batteries that he had nearly ordered online. When he saw that it was going to cost him £10.95 for them to be delivered to the highlands, as opposed to £4.95 for the rest of the UK, he quite understandably decided not to place the order.

The Minister will be familiar with an organisation called Resolver, which looks at the problems uppermost in people's minds. It has confirmed to me that in the UK, delivery charge rip offs—I call them that—are the second biggest irritation people complain about, behind online shopping. While the debate is primarily about the particular challenge we face in the highlands and islands, I put it to the Minister that the standards and regulations surrounding the delivery service in the UK are not doing anyone a huge amount of justice and I suggest that people across our four nations are pretty cross about their experiences. I do not believe that any of us can ignore that.

To set an historical context, I can say that it was not always like that. On 9 January 1840, the penny post was introduced. That world-beating innovation meant that a letter that arrived anywhere in the UK—from the Shetland Islands to Cornwall via Kinlochbervie or Durness or Inverness to London—did so for precisely one penny. Back then, no one was disadvantaged because of where they lived, and it is wonderful that the same was true of a parcel. Okay, a heavier parcel cost more than a lighter, but it did not matter where it was coming from or going to. There was a flat and fair rate, regardless of where people lived.

The batteries of my constituent, the brave soldier Graham, are the perfect example of an unfair extra charge being levied on people simply because of where they live. I use it because that sort of example strikes a chord in people's mind. How very different is today's ethos from the higher-minded ethos that led our Victorian forebears to introduce the penny post. Quite simply, the present situation stinks, and I must admit—forgive my language—I am sick and tired of going on about it.

There seems to be far too much buck passing and slopey shoulders, to use a good Scottish expression. The Scottish Government always say that delivery charges are reserved to Westminster and that while, yes, it is regrettable—and they wave a finger or two about it—it is up to Westminster to sort it out. Then, at the drop of a postman's hat, Westminster is only too keen to burble on about market forces and say that it is up to the Scottish Government to improve transport links and reduce the price of getting stuff from A to B. There is some truth in that, but it makes me wonder how on earth people ever got the penny post going in 1840, long before the transport infrastructure we have today, but do it they did. That is a matter of fact and historical importance.

Amid the buck passing, we are where we are today, with whopping great charges that people cannot afford, particularly during the covid pandemic, when we are relying heavily on online orders. What is to be done? Let me make some suggestions. I believe that both Governments must, to coin a phrase, extract digits, as the late Duke of Edinburgh might have said. They must work together, stop bickering about the Union and who does what, and just sort the problem out.

Secondly, between us, we must fix our roads and properly invest in our transport infrastructure. Dodging potholes often doubles journey times and therefore costs where I live. I therefore gently say to the Minister that if, out of the goodness of his heart, he took a peek at my letter about the levelling-up fund, which has just been debated and has the Highland Council in the bottom tier for investment in Scotland, I would be awfully grateful.

That leads me to another, positive suggestion. Local delivery firms—we have several good examples in the highlands of Scotland—go up and down our roads all the time. They know where the bad potholes are and exactly where a certain Mrs McKay lives in a remote part of Sutherland. That local knowledge is crucial. Legislation should be put in place to oblige companies that do not use Royal Mail for delivery to use local firms. The national firms have a worryingly high level of lost deliveries, and I believe that going local will help solve the problem.

What are we going to do to punish repeat offenders who do not comply with the standards laid out by the Advertising Standards Authority? In all truth, a strongly worded letter will not hack it. Businesses, whether big online retailers or local couriers, should be keen to be transparent with customers about delivery charges and, where possible, enforce a flat-rate fee that does not discriminate by postcode.

There are innovative ideas that could be made to work. For some time, I have gone on about the campaign for community banking hubs, where different banks come together and offer customers their services out of the same room. A shared distribution centre of some sort in the highlands could be a possible solution, which the Minister might care to look at and discuss with businesses in my patch, in his constituency and in other parts of the UK.

Royal Mail rightly has a public service obligation by law. I believe that the law of the land should be changed so that the same standard of service is forced on all other delivery companies and the firms that seek to use them. Next year, Ofcom will review the regulatory framework for Royal Mail. I sincerely hope that the Minister and his colleagues in Government will consider extending Royal Mail's "one price goes anywhere" rule to other companies.

As I discussed with the Minister before the debate, we last debated delivery charges in December 2020, thanks to the excellent initiative of the hon. Member for Moray (Douglas Ross). He and I and many others have followed the issue on the Scottish Affairs Committee, which has had much to say about it. We have all engaged with Citizens Advice Scotland's campaign on delivery charges over the past year. Yet, despite political support from all sides, we are still in the same boat. Right now, that boat does not seem to be going anywhere.

In a spirit of co-operation and helpfulness, I implore the Minister to discuss some of the proposals that I have outlined today with industry and perhaps come up with a plan of action. Deeply unfair delivery surcharges must be consigned to the dustbin of history. Nobody should be victimised simply because of where they live—not just in the highlands of Scotland, but in remote parts of England or Wales. It is simply wrong. In January 1840, the penny post set the gold standard and we should look to the high ethical standards of our forefathers. All our constituents will be greatly relieved if we can do something about this.

4.15 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): It is a pleasure to serve under your chairmanship, Ms Rees. I congratulate the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing today's important debate. Its subject continues to be important for his constituents and, similarly, for other Members across the House, including, as he mentioned, my hon. Friend the Member for Moray (Douglas Ross), who raised this last, in December 2020. The hon. Gentleman was there, and he and my hon. Friend came together in a cross-party spirit, because this is very much a geographical issue rather than a political issue. Although there are often political levers we can look to to see what we can work on together.

It is not unreasonable for business to seek to cover the legitimate costs of delivery, but it feels to some customers outside the major conurbations that charges are going beyond that, so I have a lot of sympathy for the case that the hon. Member has made—that consumers in some parts of Scotland continue to be treated differently from those in other parts of the UK. I also recognise that similar issues exist for consumers in, for example, Northern Ireland and, latterly, the Isle of Wight. I am pleased to take part in this debate and to update Members on developments since the previous debate in December 2002, but let me first remind colleagues of the Government's general approach.

The Government recognise that delivery costs can be higher when reaching some parts of the UK, but delivery surcharges should be based on real costs of transportation. Businesses are strongly encouraged, as far as possible, to provide consumers with a range of affordable delivery options. Moreover, the Government have ensured that there is access for everyone, including small retailers, to an affordable, consistently priced postal service for deliveries across the UK under the universal postal service. Royal Mail, through the universal service obligation, must deliver parcels up to 20 kg five days a week at uniform rates throughout the UK.

The Government believe that businesses should be free to choose partners and make the contractual arrangements that best fit their commercial needs. At the same time, consumers need transparency of information so that they can choose the supplier who best meets their requirements. The resulting competition should lead to a more efficient allocation of resource.

Consumer protection laws require transparency of costs, including delivery charges. Retailers are therefore required to be up front about their charges, including where they deliver to, what they charge and when any premiums apply. In that regard, at least, the law was working well for the hon. Gentleman's constituent, Graham, in terms of his batteries, because at least he could make an informed decision, as unfair as he felt that extra transaction cost was. With that transparency, consumers know exactly where they stand and can therefore decide accordingly. If retailers are to take advantage of the considerable opportunity for online sales, they need to take heed of the needs of consumers in all parts of the country, developing delivery solutions to realise sales potential in every single area.

Our legislation is robust. The Consumer Protection from Unfair Trading Regulations 2008 and the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 set out that the information given by traders to consumers regarding those delivery costs, including any premiums, must be up front and transparent, as I have said.

In response to concerns raised previously by hon. Members about understanding the rules, highland trading standards established a website to provide advice and delivery charges for consumers and businesses. Any consumer who believes that the rules have been breached should report it through the deliverylaw.uk website so that incidences are recorded and appropriate enforcement can be taken.

Furthermore, as I reported to the House last year, a significant volume of enforcement work has been undertaken by the Competition and Markets Authority and the Advertising Standards Authority. The ASA has issued enforcement notices to online retailers where parcel surcharging practices have been raised and has achieved a compliance rate of over 95%. The CMA has continued to issue advisory notices to the major retail platforms and has published guidance to retailers who sell via those platforms. It continues to work through primary authorities to ensure improvement in this area. On the legal compliance side, our enforcement partners are continuing to monitor the situation and to take action where necessary.

In November last year, the postal sector regulator, Ofcom, published updated information on how this part of the market is operating, as part of its annual

[Paul Scully]

postal service monitoring update. I set out Ofcom's findings in the December 2020 debate in the House. Ofcom found that operators take different approaches to the pricing of parcel delivery services. Some vary their prices by location, but others do not. Businesses have options. For the subset of suppliers who vary delivery charges by location, some use a binary standard charge and an out-of-area charge and some set different prices for different areas. In other cases, the actual prices charged for business-to-consumer parcel deliveries are bespoke. Although operators may start with a standard rate, they often negotiate charges on a bespoke basis with individual retailers. As I outlined in the previous debate on this issue, some major retailers, such as Argos and Wayfair, have taken positive steps, vastly improving the delivery service by removing surcharges for most customers in the Scottish highlands and islands.

The Government have no role in interfering with business decisions. Businesses can adopt a range of options on delivery charges and may apply none at all, and the parcel delivery market is competitive. The hon. Member for Caithness, Sutherland and Easter Ross talked of the penny post, which was, in its time, an important standard to reach, but the post service has moved on in the past few years. Parcels, rather than letters, are more predominant in people's lives than ever before, and the market is hugely competitive. Steps taken by suppliers to apply no delivery surcharge will put downward pressure on charges from other suppliers. Royal Mail clearly needs to be in that space, looking at that downward charge, to be able to modernise and compete with other suppliers.

I reassure the hon. Gentleman that the Government continue to look at this issue. The Consumer Protection Partnership brings together consumer protection organisations from across the UK. It runs a dedicated working group, including consumer advocates, trading standards and Government representatives, to focus on this issue. The working group also includes the Scottish Government.

Ofcom will be undertaking a review of its future regulatory framework for post over the next year. In the call for input between March and May this year, Ofcom invited views and comments from stakeholders. It intends to publish a full consultation on the future regulation of postal services later this year, before concluding its review in 2022. The review will consider issues affecting the broader postal sector, as people's reliance on parcels continues to grow.

Other ongoing work to enhance compliance with the legislation includes updating the best practice guidance available from the Chartered Trading Standards Institute. The updated guidance has been informed by CPP members, as well as other organisations, and aims to drive the messaging out to online retailer platforms and delivery services.

I continue to believe that the legislative framework is robust and provides appropriate protections for consumers. The Government remain committed to ensuring that the universal service obligation, including the delivery of parcels at a set charge throughout the UK, remains affordable and accessible to all users. My priority is continued enforcement of the law to ensure that customers are not surprised by delivery charges and are able to make choices based on clear information. In that way, consumer decisions will apply competitive pressures that can drive down delivery charges to the benefit of all.

On behalf of the Government, I express my gratitude to postal and parcel workers across the UK, who have been working tirelessly throughout the pandemic to keep us all connected. I thank the hon. Member for Caithness, Sutherland and Easter Ross once again for bringing this important debate to the House, and you, Ms Rees, for chairing it. I look forward to continuing to work on this issue. I know we will be back here again to speak on behalf of the hon. Gentleman's constituents and others in the affected areas.

Question put and agreed to.

4.23 pm

Sitting suspended.

Learned Societies at Burlington House

4.50 pm

Christina Rees (in the Chair): I remind hon. Members that there have been some changes to normal practice in order to support the new hybrid arrangements. Members participating physically and virtually must arrive for the start of the debate in Westminster Hall and are expected to stay for the entire debate. I must also remind Members participating virtually that they are visible at all times, both to each other and to us in the Boothroyd Room. If Members attending virtually have any technical problems, they should email the Westminster Hall Clerks' email address. Members attending physically should clean their spaces before they use them and as they leave the room. I remind Members that Mr Speaker has stated that masks should be worn in Westminster Hall.

4.51 pm

Tim Loughton (East Worthing and Shoreham) (Con): I beg to move,

That this House has considered the future of the learned societies at Burlington House.

First, I declare an interest as a fellow of the Society of Antiquaries, which is one of the learned societies. I am grateful for the huge interest in the debate, but I will not take interventions so that we can get more people in. If necessary, I am happy to give up my right to reply at the end. I just want to get on with it.

I particularly welcome the Minister who has taken a real personal interest in the problem since he was put into his current role. I thank all colleagues who responded to the quite intensive lobbying by the Society of Antiquaries, the Geological Society, the Linnean Society and the Royal Astronomical Society who, together with the Royal Society of Chemistry, form the learned societies who have called Burlington House in Piccadilly their home since the 1850s. Those learned societies, also known as the courtyard societies, are under-appreciated gems in UK research and academia, but they have global standing across a number of scientific and historical fields. I have had loads of emails. Just this morning I had a letter from various professors in Denmark and museums and learned societies in support of the case that I am making this afternoon. As the chief executive of the Royal Academy of Arts, the learned societies' next-door neighbour, recently put it,

"These charities have stood sentinel on this site since the 19th century, preserving our histories, furthering our understanding of the world and promoting its study to bring about discoveries and advances in the field of science, history, astronomy, natural history and earth sciences."

The societies, together with the Royal Academy, were originally housed in Somerset House, but were turfed out by the Government of the day and relocated to Burlington House in Piccadilly, which, from 1855, gradually became their home and effectively a cultural hub for the arts and sciences. It was here that Darwin explained the theory of evolution and Schliemann showed off his discoveries from Troy. Important scientific works have been deposited and priceless artefacts safeguarded, including some of the oldest existing copies of the Magna Carta and iconic items entrusted to the societies to keep safe for the British public, and to foster both academic and public understanding of our heritage. There are works by Galileo, Copernicus and Newton.

The Society of Antiquaries, the Geological Society and the Linneans are the oldest of their kind in the whole world. The Society of Antiquaries has been an educational charity of global historical and cultural significance since 1707. The Geological Society, founded in 1807, is the UK's national society for earth sciences, whose charitable work focuses on improving our knowledge and understanding of the earth. These are not dusty museums set up to indulge crusty old anoraks like me. They are very much living, breathing and highly relevant institutions that provide guidance to the Government on matters such as climate change and greenhouse gases, the safe disposal of radioactive waste, and the impact of immigration planning on the future of UK science. Those are just a few of the roles of the Geological Society, for example. It also gives strategic advice on HS2.

The 4,000 members of the Royal Astronomical Society advise and publish on solar system science, geophysics and many other areas crucial to the protection of our environment, and the Linneans play a substantial role in providing evidence and guidance on the biodiversity crisis and the ever-increasing demands of the global population. All of a sudden, if they were not there, a very large hole would be left. But their very existence is threatened because of a change to the way that their landlord—in this case, the Ministry of Housing, Communities and Local Government—charges the learned societies rent. In effect, that has meant that in the past 10 years, the annual rent charge has increased by 3,000%. In the case of the Linneans, it has gone up from £4,000 a year to £130,000 a year, and rents are set to double further in the next decade. That was not what was envisaged when a new rent framework linked to the local rental values was first mooted under the previous Labour Government.

When the societies signed the lease back in 2005, they accepted that by 2085 they would pay commercial rent. However, at the time, calculations showed that the societies would have 45 years to adapt to a new model of income generation and rental payment before a dramatic increase. That increase actually started after just seven years, and was so rapid that the societies cannot adapt in time.

The societies are not the sort of luxury retail emporia to be found in other parts of Piccadilly. They are charities with limited income and particularly limited routes to raise more income while their tenancy is highly uncertain and their leases specifically prevent a third party from taking a charge on the properties, meaning that the societies cannot approach major funding bodies for grants to adapt and improve their building. The leases also prevent additional income generation through subletting or commercial activities—they cannot even have a café.

They are severely hamstrung in increasing their revenue, without which they cannot afford to pay their rent. But there is a catch-22 as well: if they cannot afford their rent, they will have to move, but in the case of the antiquaries, the cost of moving the thousands of priceless fragile treasures would bust that society. Even the prospect of moving to a warehouse on a cheap industrial estate in a town in the midlands or north of England is a non-starter, let alone the fact that it would break up the hub and make the collections largely inaccessible to fellows and the public alike.

[Tim Loughton]

Their location in the heart of London enables courtyard society activities across the United Kingdom. As in other areas of operation, affordable tenure at New Burlington House allowed the courtyard societies to dedicate resources to active programmes outside London, from specialist meetings to large national conferences, matching local interests to available expert speakers. The societies are committed to a levelling-up agenda, and have been for a long time, reaching out and undertaking community-based learning. The London base is crucial to that work; they need the base to house their collections and to be near other societies, within easy reach of their important stakeholders who travel to Burlington House from all over the UK and internationally.

The societies are not expecting something for nothing. They have accepted that their rents should rise. At the behest of a previous Minister, at their own cost, they undertook a public value contribution analysis by the consultants PwC in 2019, which calculated that the learned societies together give an annual public benefit of some £47,368,500 to the British public, communities, and science and academic institutions throughout the UK. Surely it is only reasonable that the public benefit should be taken into account when calculating the rental value of those properties. In the case of the antiquaries, the same PwC study calculated that of the £5.4 million public benefit that the antiquaries generate, some 78% would be at risk each year if the society were to be forced out of its current premises.

The societies all want to increase that public benefit. They want to greatly expand engagement with the public at Burlington House and around the country, with other societies in schools and universities, with businesses, charities and many other partners. Indeed, the Society of Antiquaries has shown how this can be done with its other property at Kelmscott Manor in Oxfordshire, the former home of William Morris. Because it owns the property, it has been able to raise over £6 million from the national lottery heritage fund and others, to build a new education centre. When it reopens after the pandemic next year, it expects to double the number of visitors to more than 40,000. The same advantage awaits the other courtyard societies if they have a secure and affordable tenure, which is the basis of the problem.

We appreciate that Government have made certain proposals and have been helpful, most recently under the new Minister, including offers of a rent freeze, a rent holiday and some adjustments. However, the problem is that the rent now is unaffordable and without a new long-term lease, the offer to help seek lottery funding will not work. Since just 2019, the rent has increased by a further 39% at a time when financial positions have been made even worse by the pandemic. The situation has gone from bad to worse.

The problem is that the Government are still treating the buildings as investment properties housing commercial tenants rather than as the academic charities and educational research institutions that they really are. Unlike commercial tenants, they cannot just sell more widgets or put up the price of their widgets—or, perhaps more appropriately for Piccadilly, Louis Vuitton bags and designer frocks.

We need the Government to take a different approach and to recognise the learned societies for the unique tenants that they really are. The societies will be putting further alternative proposals to the Government and I am glad that there now appears to be a dialogue; for quite a long time, there was a logjam and dialogue just was not happening. Again, I thank the Minister for helping to facilitate that.

Among those proposals we should ideally seek a new long-term lease arrangement, as the Royal Academy negotiated some years ago, whereby they pay a peppercorn rent and have become commercially viable and very successful. The societies could make an up-front payment, made up of cash and in-lieu components, reflecting the public value assessments that have been mentioned already, and ownership of parts of their valuable collections could pass to the Government to make sure that they are enjoyed by even more members of the public.

Perhaps the management of the learned societies could pass to other Government Departments, where they could more readily be appreciated and engaged as cultural and heritage assets. The Department for Digital, Culture, Media and Sport is an obvious candidate and I know that the Secretary of State has been sympathetic about taking a closer interest in and engaging with some of the learned societies. It would be helpful to understand on what basis discussions have already taken place. Apparently there have also been discussions between DCMS and the National Lottery Fund, because, as it stands at the moment and as I have said, the learned societies just cannot access those funds because they do not have the security of tenure.

The other solution is that MHCLG changes its rental policy so that it can charge a nominal rent but at a level that at least equates to the capital charge levied on the Department as a consequence of holding this asset. We believe that there are parallels with the way that the Ministry of Defence values some of its defence assets, for example, and the way that the Department has disposed of previous assets of historical and cultural value, such as Somerset House and the Royal Naval College.

Whatever solution is found, the Government really need to revisit the way they charge the learned societies to reside in their purpose-made home at Burlington House. I am sure that colleagues who are here today, and the many others who have shown support for the cause, will help to play whatever part MPs can to help to forge a new arrangement between Government and these unique institutions, so that they can stay in their natural home, a cultural and scientific hub in central London, working with each other and with the Government to produce huge value for the whole country, worth well in excess of the sum of their individual parts.

I know that the Minister is the man to make that happen and I am delighted that he has agreed to visit the learned societies—hopefully next month—to see them at first hand. I hope that that will help to produce a long-term, fair and sustainable settlement that will see these unappreciated gems flourish further, and for the whole country to benefit as a result in tackling the big challenges of the day in science, environment and culture. It all rests on the shoulders of the Minister; I am sure that he will not disappoint and that we will have a solution to take back to the learned societies, which eagerly await the outcome of the debate.

Christina Rees (in the Chair): If Back-Bench speakers could confine themselves to three and a half minutes, we should get everyone in.

5.4 pm

Chris Bryant (Rhondda) (Lab): I should declare that I am a candidate for fellowship of the Royal Society of Antiquaries. If anybody in this room is a fellow, please do not blackball me. I should also say that the president of the Royal Academy, the first elected woman president of the Royal Academy, is sort of my adopted surrogate sister, Rebecca Salter.

I start from a fundamental principle, which is that this is basically a part of our national heritage and I cannot see why we would want to unpick any of it. It is part of global Britain, too, for all the reasons that have already been advanced. We stand tall in so many of these fields because of work advanced by these charities, in particular because they are within the capital and in a place that was purpose built for them. That is vital.

The courtyard societies are a harmonious whole. If commercial bodies sold Louis Vuitton handbags or whatever in each of the different buildings, what could then be made of the courtyard and its entrance? That would wholly disadvantage the experience of the artistic, creative, intellectual and academic basis upon which the courtyard was built. The whole is more than the sum of its parts. The societies have managed to work together, one with another, to be able to achieve far more on behalf of academia and so many of the different scientific and intellectual pursuits there.

It was specifically built for them. There were endless debates in the House of Commons for weeks, months and years. It took 15 years for them to decide exactly what was to happen. It was built for them; it is form and purpose united. Why on earth would we want to unpick that? As has already been said, the cost of removal of all the valuable and fragile material in the libraries and various exhibits would be so prohibitive that we would effectively be closing down some of those charities. That would be a terrible mistake.

I would say to the Government what I said to the Labour Government when we were in power, because this has been going on all the time that I have been an MP. It was the then Deputy Prime Minister who first meddled with it in 2004 and ended up having to backtrack. I said, "Please, Government, stop pulling at the threads of this." I thought earlier today that the little thread on my sleeve could be pulled, but then the button came off. It may seem like we are sorting out a little thread, but it ends by dismantling the whole seamless garment.

I will end with a simple point made by Gladstone when debating this issue:

> "Vacillation, uncertainty, costliness, extravagance, meanness, and all the conflicting vices that could be enumerated were united in our present system. There was a total want of authority to direct and guide."—[*Official Report*, 16 August 1860; Vol. 160, c. 1360.]

Things do not seem to have changed much. The Conservative MP, Beresford Hope, said that the traditions of old historic London were every day swept away. I am sure the Minister would not want to be the person who finally swept away this part of historic London.

5.8 pm

James Gray (North Wiltshire) (Con): I congratulate my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) on securing the debate and on an outstanding campaign that he has waged over the past few months on behalf of the learned societies. It has been a model of good lobbying of the best possible kind. I agree with everything he and the hon. Member for Rhondda (Chris Bryant) have said. I will not repeat it, to cut things reasonably short.

I am reminded of Churchill's great remark, I think about this place originally.

> "We shape our buildings; thereafter they shape us."

That quotation applies very much to the learned societies. They shaped those buildings and we shaped them together, over a matter of 200 years, or thereabouts. The shape and existence of those buildings and the things in them shape the learned societies. It would not be possible to remove them willy-nilly and put them into an industrial estate somewhere on the outskirts of London. It would simply not work. Those buildings and the learned societies are integral to each other.

That applies to so many other great Government owned or publicly owned buildings across our nation. With those other buildings—cathedrals, churches, this palace, Buckingham Palace and the MOD buildings—the Government have taken an extremely sensible view over many years, which is to conclude that they are worth nothing. They are not worth anything; they cannot be sold. This palace could not be sold and is, therefore, worth nothing. Of course, it costs money to maintain but it cannot be sold.

The problem behind this particular episode is that the Government have concluded that the building is a valuable asset that they own, and which they can therefore sell or otherwise maximise income from it. That is the wrong presumption. That building was not set up as a Government asset, which could be subsequently sold. It was set up to be the home of the learned societies. Therefore, we require an extremely radical approach, not through a renegotiation of the lease, which cannot succeed. The lease cannot work and they cannot afford to pay the rent, so there is no point renegotiating it. These learned societies cannot pay a rent to the Government. Therefore, let us consider renegotiating it fundamentally. If we depreciate the value of an asset, that depreciation cannot count against profit and loss. It must not work at all.

I would like to think that the Government will consider not bleeding the assets, which is what they are effectively trying to do, whether through rent or another way. We should not be bleeding the assets; they are cultural and historic assets and they should belong to and be preserved by the nation. There are all sorts of ways of making sure they do not cost anything. None the less, the notion that a building, worth billions, freehold, should somehow become a national asset that is there to bleed seems to me to be entirely wrong. The capital value should be set at zero—the same applies to a great many other national assets of one sort or another. This is a political decision. It is not a cultural one; it is not a financial one; it is a political decision.

We need a Government who will say, "This is an asset to our nation. This is an asset that we want to preserve. This is an asset that does more for our nation"—£47 million worth more for our nation, as we heard from my hon. Friend the Member for East Worthing and Shoreham. Bleeding it, getting rent out of it and selling it off would achieve nothing for the cultural and intellectual assets of the United Kingdom. Finding a way of keeping the learned societies there, finding a way

[James Gray]

of making it possible for them to succeed in that location, seems to be something that we as a Government ought to be doing.

I hope that the Minister, in his reply, will not simply talk about the renegotiation. I want to hear a really radical restart to say, "These assets must be left as they are."

5.11 pm

Sir Robert Neill (Bromley and Chislehurst) (Con) [V]: It is a pleasure to follow my hon. Friend the Member for North Wiltshire (James Gray) and I pay tribute to my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) for leading this campaign, which I wholeheartedly endorse.

In the centre of London, our capital city, we have a world-class and unique cultural, educational and scientific hub that has come about because of the work that was done, going back to the time of Lord Palmerston and beyond, to create that juxtaposition of the Royal Academy, Burlington House and the courtyard societies. It is irreplaceable and, as has been observed, putting any other type of tenant in there for commercial operation would destroy something that scarcely exists anywhere else. Perhaps the French might claim something similar, but it is a unique selling point.

As we talk about the value of soft power for the United Kingdom, the value of our scientific, educational and intellectual attainments is a key selling point in that assertion of Britain's soft power and reputation in the wider world. Against that background, it is surely immensely short-sighted to treat this unique set of properties as an investment portfolio, as has been observed.

I have a lot of sympathy for the Minister. He is an excellent Minister and I am delighted to see him in his post. I moved into the same Department in 2010, doing much the same job, and I discovered that there were things that sat on our portfolio that none of us had ever imagined until we walked into the door of the Department. The truth is, it is a bit of an accident of history that this has ended up on the Department's books because it is the ultimate successor in title to the old Ministry of Public Buildings and Works, which was merged into the Department of the Environment years ago. In reality, this is a cultural and an educational asset, and therefore needs to be approached as such, as has been observed, rather than as part of the Government's investment property portfolio. I appeal to the Minister to sort that out.

I welcome the energy and commitment that the Minister has brought to this subject. Having talked to constituents who work and are engaged with the learned societies on a professional basis, I know they are conscious that things have moved since he has been in the Department. I hope he opens up the logjam and recognises, as has just been said, that the current arrangement leaves a lease that is unaffordable in financial terms and constrains the societies from expanding their other sources of income and activities, as charities might wish to do. They would like to do more, as my hon. Friend the Member for East Worthing and Shoreham said. They are keen to maximise their footfall and potential in the centre of London. That cannot be done anywhere else. Off what is almost the nation's high street we have this unique cultural gem, and it would be a crying shame to allow that to be lost or dissipated; my constituent, who is a professional curator, attests to the massive wasted costs that will be involved in a forced move.

There is the old phrase about knowing the price of everything and the value of nothing. I do not think that applies to this Government and I am sure the Minister will prove that. We place the value, in this instance, above the price, because it is much greater for this country. I hope that he will respond positively to the debate.

5.15 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC) [V]: Diolch yn fawr iawn, Lefarydd. I, too, would like to thank the hon. Member for East Worthing and Shoreham (Tim Loughton) for securing this debate, and for his campaign. I am pleased to add my voice to the campaign to secure the long-term future of the learned societies at Burlington House.

Others have eloquently discussed and will continue to discuss the importance of the work of the other learned societies based in the scientific and cultural hub of Burlington House, but it is the Society of Antiquaries and its connection to Wales, through the Welsh Fellows Group, on which I would like to elaborate.

The Welsh national group has long been one of the most accurate and effective fellows groups in researching the historic environment and promoting the understanding and appreciation of Welsh heritage. The group also organises antiquarian events, outings and lectures, helping fellows who live throughout Wales to remain engaged and involved in the full activities of the fellowship, in addition, of course, to the London programme. Past events have included archaeological lectures at Cardiff University and annual field weekends in Wales, such as the 2016 trip to Sir Fynwy, where the programme included visits to castles at Hay-on-Wye and Usk, Llanthony abbey at Abergavenny and Clytha House and gardens.

The relationship between the Welsh national group and the parent society is of real practical value. It promotes the interests and the results of the Welsh group's work on the international stage. It also provides networking opportunities for members and helps to maintain an effective flow of knowledge and understanding of heritage issues and policy between London and Wales.

Members of the Welsh group have testified to me about the essential value of the central and special location at Burlington House for the achievement of the society as a whole. To go briefly off record into my personal experience as a child, I remember the delight of attending exhibitions at Burlington House. It is a really special place. It brings different experiences to different people. The United Kingdom as a whole would be the poorer if we were to lose it. The relocation from Burlington House would be not only financially damaging for the society, but culturally damaging for Wales.

I call upon the Government to do something that I would have thought would be essentially conservative for a Conservative Government—to conserve an affordable and sustainable arrangement that allows the learned societies to remain at Burlington House and which, in doing so, allows them to preserve their unique record of history, discovery and heritage, and to continue their work in promoting and strengthening historical learning and research as it relates to Wales.

5.18 pm

Alun Cairns (Vale of Glamorgan) (Con) [V]: It is a privilege to serve under your chairmanship for the second time today, Ms Rees. It is a pleasure to congratulate my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) on securing the debate and the eloquent way in which he introduced it, which hit so many of the important marks. It is also a pleasure to take part in a debate where there seems to be unanimity across the parties in the House. The challenge is to find a solution that will work for everyone, and that meets the objectives and challenges that have already been set out.

I do not plan to detain hon. Members long; much of what I wanted to say has already been said. I merely want to underline a few points and offer a potential way forward.

We all recognise the unique part that the learned societies—the courtyard societies—including the Royal Society of Chemistry, play in our community and in society, including the public good they bring to culture, science and academia, and the positive influence they bring to global Britain, as has been said. I would add to that the importance of their independence and the scrutiny and the standards they set across their various specialist fields.

As well as their role, their history and their contribution needs to be recognised, as many hon. Members have stated this afternoon. It is part of our heritage. I understand the accounting policy change, the value of capital and the return on investment that Governments, going back 20 years or so, have wanted to gain. However, in reality—this point has already been made—their role in our heritage has made them heritage assets in themselves. The benefit is gained by so many of us right across the UK, but the prominence of their location really matters. It was good to hear from the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), who tied in that Welsh link with these organisations that have their headquarters in London, highlighting their reach right across the United Kingdom.

These important organisations are considered in terms of accounting policy and investment property, but in my mind, they should be considered as heritage assets. That would give the Minister greater flexibility to come up with a solution that will meet their demands and needs. I cannot imagine that it is beyond the ability of a bright, ambitious Minister and his officials to come forward with a solution that will work for all of these organisations. Doing so will also place him in a strong position to seek to influence these organisations in a positive way, so that they can extend their reach across the UK—so that their London base is their headquarters, but their reach continues right across the United Kingdom.

5.21 pm

Chris Skidmore (Kingswood) (Con) [V]: I start by thanking my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) for having secured this important debate, and put on record my interest as an elected fellow of the Society of Antiquaries. The hon. Member for Rhondda (Chris Bryant) should not worry: I am not going to blackball him in his election. I also put it on record that I will also speak in my capacity as chair of the all-party parliamentary group for museums.

The Society of Antiquaries, along with the other learned societies in Burlington House and the courtyard, is undoubtedly a national treasure. I am glad that the Minister is going to take the opportunity to visit that society, because he will be dumbstruck by the wealth of cultural heritage there. Some of those manuscripts managed to escape even the dissolution of the monasteries, yet they are now being threatened by the financial situation that the society finds itself in. When he goes on his visit, he will see remarkable portraits, including not only the earliest surviving portrait of Richard III but Hans Eworth's portrait of Mary I. He will see the processional cross that was rescued from the battle of Bosworth, which is one of the reasons why I held the launch of my book, "Bosworth: The Birth of the Tudors" at the society in 2013. He may also know from his notes that as a Minister—the Minister for Universities, Science, Research and Innovation—I held a keynote address at the Society of Antiquaries in 2019, in which I underlined the Government's respect for the arts and humanities.

The society's collection is unique, with 40,000 artefacts and 130,000 books and manuscripts. It simply cannot be replaced: three of the earliest copies of Magna Carta are among them. My concern is that, with the ratcheting effect of the rent going up, following the supposed agreement over eight years to reach market rent, as my hon. Friend the Member for North Wiltshire (James Gray) mentioned, the society cannot even afford to pay the current rent of £150,000 a year, which has risen from £4,800 over an eight-year period—a 3,100% increase. The society is asset-rich and very cash-poor, and money that could be spent on preserving these artefacts or on future research projects for early-career researchers is being drained to pay the rent. An agreement should be found—perhaps an in lieu payment of artefacts could be made to the Government, and those artefacts could then be preserved for the sake of our national heritage.

This Government are committed to standing up against cancel culture—they are absolutely right to do so—and to stopping statues from being pulled down so that we can respect our heritage and learn from it, but one of our greatest national assets, artefacts and institutions is being pulled down in front of our very eyes. That is the exact opposite of what the Prime Minister, who so values cultural heritage, would wish. I urge the Minister to look seriously at what could be done to protect the society for the future.

5.25 pm

Siobhan Baillie (Stroud) (Con): I thank my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) for arranging this session. I do not have a book to plug and I am not clever enough to be a fellow or even a candidate, but I am passionate about trying to find a solution for the societies. We have high hopes for the Minister, as has been seen. Please, please, please free the big planet-sized brains in the learned societies. They need to be freed by you from the interminable discussions about rent and leases, to let them get on to use those planet-sized brains to help solve the greatest challenges of our time and educate people along the way, because we know they can do that.

[Siobhan Baillie]

It takes years of history and knowledge to solve challenges, and the learned societies have hundreds of years of respect and experience between them. The Royal Astronomical Society founded in 1820, the Geological Society founded in 1807, the Linnean Society founded in 1788, the Society of Antiquaries founded in 1707—so much would be lost by a forced relocation that is unnecessary, and that would be a brutal disrespect to all that has gone before.

I thank my Stroud residents, who wrote to me in large numbers and who brought the issue to my attention. Stroud is a cultured and learned place and is also the best place to live, according to *The Sunday Times;* I have to get that in for a whole year. The cultured and learned place that is Stroud is absolutely exasperated. My small patch of Gloucestershire cannot understand how we have spent 16 years trying to settle a matter that would effectively mean that we are preserving the learned societies for future generations—future generations like that of my baby daughter, who I want to grow up to be a candidate or a fellow, certainly.

What are we asking the Government to do? I have a briefing about that, but what we are asking the Government to do is to stop faffing around. We call on the Government to provide for an affordable, sustainable arrangement that allows the societies to remain at Burlington House, and to use the apartments as appropriate for their needs in the 21st century. That will preserve the unique and irreplaceable record of history, discovery and heritage. In the year of UK COP, G7 and the fact that we are leading on so many aspects of global policy, let us not lose the backbone and history that we have in the learned societies as we go along.

5.27 pm

Martin Vickers (Cleethorpes) (Con): It is a pleasure to serve under your chairmanship, Ms Rees, and I join others in congratulating my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), who obtained the debate. Like my hon. Friend the Member for Stroud (Siobhan Baillie) I am not eminent enough to be a fellow of one of the societies, nor am I even a candidate, it has to be said, but in researching the issue, and having had conversations with a number of constituents who brought it to my attention, I have appreciated that the courtyard societies are unappreciated gems, as my hon. Friend the Member for East Worthing and Shoreham said.

What is going on here in the Government? I suspect that what is proposed will bring little additional resources into the Department—the amount is not even petty cash, and yet the societies have added so much to broader society and to our local communities through their work over many years. As has been said, we are talking about a 3,000% increase in rents. The societies quite clearly do not have the funds to purchase alternative accommodation, and they are focused on persuading the Government to allow the societies to remain and to carry on their work. Like so many organisations within our constituencies—voluntary groups and community groups—they spend so much time having to find the next funding stream that it takes the energy away from what they are actually trying to achieve. We do not want to put these societies into the same category. Much praise has been laid upon the Minister, and I must say it is very justifiable. Like others, I look forward to hearing how he will explain the arrangements. So many of the debates that we attend are summed up by a Minister saying a lot of words but not actually informing us of the solution to the problem. We want an actual solution, and I am confident that the Minister will provide it.

I add my support to all that has been said. We have organisations here that provide so much in added value to our society. Let us not lose them for the sake of a few extra pounds in the Government's coffers.

5.30 pm

Simon Baynes (Clwyd South) (Con) [V]: It is a pleasure to serve under your chairmanship for the second time this afternoon, Ms Rees. I, too, congratulate my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) not only on securing the debate but on his energetic campaigning on behalf of Burlington House. Appropriately, as a new Welsh MP, my first contact with the issue of the future of the learned societies at Burlington House was through an email last year from Cardiff, from Professor John Hines, the chair of the Wales fellows group and vice-president of the Society of Antiquaries of London.

Professor Hines, like the right hon. and hon. Members who have already spoken in the debate, made the case with great eloquence for the continuation of the bespoke Government arrangement that has delivered immense public value as a hub of cultural and scientific discovery. As my hon. Friend mentioned, there has been a significant economic benefit from that. It is worth repeating the figure he mentioned of £47.4 million per annum, because it is a significant amount of money, and how it is estimated that almost a third of that value could be lost through the damage caused by relocation.

The right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) emphasised the benefits of decentralised activities, so I will not go back over that ground, but I strongly agree with the points she made. I would like to quote from Professor Hines' letter to me, which covers some of the right hon. Member's points as well as others. He wrote:

"Our relationship with the parent society—

in this case, it is the Society of Antiquaries, but I think it is representative of the other learned societies based at Burlington House—

"is of inestimable practical value in placing our own concerns and achievements on the international stage".

That is particularly important in areas such as Wales that need to ensure that they have representation at the highest level in the UK. He continues:

"learning from networking opportunities, and maintaining an effective flow of information and understanding over heritage matters and policy between the capital of the United Kingdom and the Principality. We are especially able to testify to the vital importance of a central and appropriate location for the fulfilment of the special aims of the Society."

That sums up why this is an important issue not only for the centre of London but for the whole of the UK. I therefore urge the Minister to find an acceptable solution along the lines outlined by my hon. Friend, which would enable the learned societies to remain at Burlington House. That would enrich not only their activities in London but their wider work in Wales and across the UK.

5.33 pm

Jeff Smith (Manchester, Withington) (Lab): Thank you, Ms Rees, for the opportunity to respond on behalf of the Opposition. It is a pleasure, as always, to see you in the Chair. I congratulate the hon. Member for East Worthing and Shoreham (Tim Loughton) on securing the debate and setting out so clearly and powerfully the dilemma facing some of the country's most respected academic and cultural institutions. I thank all hon. Members who took part. We heard from every single one about the value of the learned societies and their concerns about the situation.

My hon. Friend the Member for Rhondda (Chris Bryant), as so often, gave us a history lesson and set out eloquently the heritage value of the learned societies. What is notable about the debate is how many Government Members have expressed their concern and dismay. The Government have united the House in opposition to the situation that the learned societies have been placed in, potentially being forced to move from buildings specifically set up for their use as a cultural hub in central London.

The problem of unaffordable, escalating rent rises set by a landlord trying to maximise income is not unique, but what is wrong is that the rental arrangement for the societies should be unique, because their history and contribution to our society is unique, and there is a long history of British Governments providing them with an affordable tenancy in acknowledgment of their national value. These are model tenants who make essential contributions to our culture, heritage and society. In the post-covid world, where the climate challenge is huge, our policy makers may well be ever more in need of the advice and intellectual rigour of these learned societies. As the hon. Member for Bromley and Chislehurst (Sir Robert Neill) said, surely this is a case of a Government knowing the price of something but not its value. That is not to say that the economic value is insignificant. As we have heard, PricewaterhouseCoopers say that the total contribution these societies make is well over £47 million per year.

The proposed rents are unsustainable for the societies. If they were forced to find new premises, it is highly unlikely that they would be able to afford another accessible city-centre location without the kind of special affordable rent agreement that was previously in place. A more remote location would reduce public access to the collections.

A relocation would be extremely expensive and likely require millions of pounds to be spent on transporting a huge collection of fragile items and customising a suitable place to store them. PwC estimated that almost one third of the societies' public benefit value could be lost through the damage caused by forced relocation. Some of these losses would be priceless if the societies are forced to dispose of some of the precious objects in their care.

The societies have attempted to negotiate to secure a solution with the Government. Offers and counter-offers have been made, which have either still been unaffordable to the societies or have been rejected by the Government. Now is the time for the Government to really get serious about finally resolving this problem. For a Government who like to talk about global Britain, they are showing very little respect for protecting globally important British artefacts and institutions. The increases in rental income will be of relatively minimal benefit to the Government, but will do serious damage to the historic British institutions and to their cultural contribution.

The Opposition urge MHCLG to go back to negotiating in good faith with the learned societies, with the concerted aim of finding a sustainable solution that works for both parties and maintains the learned societies in their current home. I encourage the Minister to look at the various proposals put forward by Members today and by the learned societies, for example the acquisition of the long-term lease equivalent to fair market value that was offered by the societies in early 2020. If there are legitimate reasons for rejecting that or other offers, the Government need to be transparent about what they are, to continue the dialogue and to offer the societies the opportunity to work through them and to work together.

I close by making the point that many businesses are struggling at the moment with commercial rent debts, as a result of the pandemic. The Government's response has been to issue a code of conduct for landlords to encourage them to negotiate with tenants to find a workable solution for both parties. Surely the Government need to lead by example.

5.38 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Eddie Hughes): It is a pleasure to serve under your chairmanship, Ms Rees. Like others, I commend my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) on securing this debate. We have heard fantastic contributions from right hon. and hon. Members from across the House. I note the silent contribution from my hon. Friend the Member for Brentwood and Ongar (Alex Burghart), whose presence in the Gallery signifies a strong interest in the subject matter under discussion.

I am grateful for the contributions, but take issue with the idea that responsibility for the problem needs to sit with DCMS because they are more cultural. That is unfounded. Within MCHLG we have a strong appreciation of the cultural and scientific elements that are being discussed. We fully appreciate that heritage, and for that reason we all want to see the future of the five learned societies secured, not just in the short term but for many years to come, at a venue befitting their enormous scientific and cultural contribution.

I believe, as do the Government, that the right venue is New Burlington House. In deference to my hon. Friend the Member for Stroud (Siobhan Baillie), unfortunately there will still be some faffing about. We are in the early stages of negotiation; we have just pitched our offer to them and are now awaiting a response, so there will be faffing. Hopefully, with a Minister who is keenly engaged in the subject, we will be able to make some headway.

I echo the comments made by hon. Members who recognise the incredible work done by the Geological Society, the Linnean Society, the Royal Astronomical Society and the Society of Antiquaries, which seems to be well represented by Members, and the Royal Society of Chemistry. I will temper any praise with the caveat that many of the wonderful collections housed by those societies are not usually open to the public. We heard a fine outline of some of the things that are available, and I am looking forward to seeing those works myself. The Government recognise their contribution, but we need

[Eddie Hughes]

to support them to survive and adapt in a post-covid world to become, dare I say, modern and accessible institutions for all. Others have quoted Charles Darwin, as one of the Linnean Society's most notable past fellows: it is not the strongest of the species that survives, or the most intelligent; it is the one most adaptable to change.

The legal position is that in 2005 the High Court confirmed that a landlord and tenant relationship existed between MHCLG and the five learned societies. Both parties openly negotiated and agreed an 80-year lease, which would protect the learned societies from paying full market rent until 2085. This agreement, which included a £1 million contribution to repairs from my Department, remains in place today, with MHCLG acting as a supportive landlord, working with its tenants to help the societies deliver their mandates.

Here is, unfortunately, where we get to the faffing. Under the current rental agreement, the rent set for each year is determined by a valuation designed to bring rents gradually to market value by 2085, when the lease expires. The market value is determined by market evidence from comparable properties being used for education or cultural purposes. Given the references to a posh merchandise that might be available locally, it is important to stress that market value in this context does not mean the same value attributed to office tenants or luxury retailers on Piccadilly. Both the learned societies' and my Department's valuers agreed the evidence that determines value, and I think we can all agree that that reflects the terms settled upon by the learned societies.

Chris Bryant: I want to return to the point that the Minister made about what the learned societies do. I would dearly love them to be able to take some of their experience and knowledge around the country more, but it is very difficult to do that if all the money is spent on paying rent to the Government. I wonder what a sensible assessment of, say, £150,000 a year could do for one of the learned societies, as opposed to what it can do for Government. That might be a sensible part of trying to assess a way forward.

Eddie Hughes: I am sure I will repeat this later on, but we have made our pitch to the learned societies and we are awaiting their response. Given the commercial sensitivity of those negotiations, it important that we wait to hear from the learned societies themselves about what they think the way forward will be.

We must acknowledge that the growth in annual rent under the lease contract has been unpredictable. UK rents have grown significantly since 2005, causing a significant challenge for the learned societies. Achieving a rent that represents value for money to the taxpayer while giving security and certainty for the learned societies is the Department's goal, and we hope to achieve that in collaboration with the learned societies.

Rent for 2020-21 financial year is £15.35 per square foot, which was agreed through the formula and is some 70% lower than the £50 per square foot that is the current market value for similar use—as I said, for educational purposes, not compared with the much more expensive commercial properties. That was agreed by both parties. However, we have heard the real financial concerns of the five learned societies, and the issue has received significant media coverage. In 2019, the societies sought a grant from our Department that would allow them to purchase a 125-year lease from us at a peppercorn rent. We assessed the proposal and of course considered the benefits, which are incredibly difficult to put a value on, of keeping the learned societies at Burlington House.

The Treasury's Green Book rules require us to assume that if a learned society vacated Burlington House, it could be replaced by a similar tenant who would meet the cost of the rent at the market rate, so, it is not in our Department's gift to grant that peppercorn lease. I fully appreciate that others have said that different options might be available to the Treasury, but considering such options is clearly way above my pay grade.

James Gray: Will the Minister not accept that he is missing the point? We are saying that this cannot be done—this building cannot be leased at a commercial rent. We want the Government to assess the building as having cultural value and preferably to give it entirely free of charge to these learned societies. And the notion that somehow or other, over 85 years, the rent may rise to the market rate is ludicrous. It cannot do so—these societies will go broke, these collections will be ruined and the Government will be to blame. We want the Government to renegotiate fundamentally and to charge them nothing.

Eddie Hughes: I thank my hon. Friend for his contribution; the suggestion that he has made is clearly one for the Treasury to consider. However, in the meantime—as I said at the outset—it is the Department's starting position that we are determined to try to keep the learned societies at Burlington House. As we enter into negotiations with them, I am sure that we will have the opportunity to discuss options further.

In January last year, we explained that we could not proceed with a peppercorn rent arrangement and proposed a simplified agreement, which involved slow convergence to the market rent by 2085. We subsequently held further discussions and recently we have put forward the proposal that I referred to, in order to provide security and guarantee predictable future rents for the learned societies, protecting them from market volatility while ensuring that they only have to pay market rent at the end of the lease.

This proposal is predicated on what I believe is a fair and reasonable condition that the learned societies should work with the Department for Digital, Culture, Media and Sport and its arm's length bodies to become more accessible to the wider public and to advance their cultural and educational agenda, so that the societies' work continues to benefit as many communities as possible. The societies' future must also reflect a more open and commercial existence, in order to identify and deliver alternative sources of income.

In his opening speech, my hon. Friend the Member for East Worthing and Shoreham mentioned the fact that there would be a restriction stopping the societies from having, for example, a coffee shop. I am sure that restriction is in place now, but it would be open to us to enter into discussions as to whether we could make changes of use, or to see whether there are other opportunities that could be pursued for commercial purposes. It is important to engender a conversation and get that discussion under way.

I hope that hon. Members will forgive me for saying that I cannot refer in detail to the negotiations that are under way. However, what I can say at the moment is that both parties are in the early stages of the negotiations, and I very much hope that a constructive and positive dialogue will result in the learned societies remaining in Burlington House for the foreseeable future.

In conclusion, I thank my hon. Friend again for raising this issue today and I thank the other Members who have made pertinent and important contributions to the debate. The Government want to continue working closely with the five learned societies and indeed with MPs from all parties in the House, following their valuable contributions today, to ensure that the outcome of our negotiations is a positive one and that we make sure that the learned societies remain in Burlington House for the future, safe in the nation's capital, where they can continue for generations to come.

5.49 pm

Tim Loughton: I should have said at the outset that it is a pleasure to serve under your chairmanship, Ms Rees.

This has been an excellent debate. I thank all hon. Members for the conciseness of their contributions, which were all the more powerful for it. However, as my hon. Friend the Member for Stroud (Siobhan Baillie) said, it all comes down to: "Stop faffing around!"

I am delighted that the Minister absolutely appreciates the value of the learned societies, and I in no way meant to impugn his own culture by suggesting that DCMS might be an alternative landlord. However, the problem is that talking about formulas and talking about tweaking formulas just does not cut it. The learned societies would have to sell a hell of a lot of coffee to get anywhere near paying the sort of rents that are being proposed, and at the current rate they are going to be on a full market rent by 2040, not 2085. This is coming down the tracks very quickly.

This is a crisis facing the learned societies. If the Minister genuinely believes, as I hope he does, that Burlington House is their home, and that we need them to open up—we have given examples to show that they desperately want to open up, but they are hamstrung by the financial positions that they find themselves in—I hope that he will consider the way the rent structure works at the moment. It just does not work for these learned societies. We risk losing the huge contribution that they make unless he does that—

Christina Rees (in the Chair): Order.

5.50 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Tuesday 8 June 2021

CABINET OFFICE

Platinum Jubilee Civic Honours Competition

The Minister for the Constitution and Devolution (Chloe Smith): I am pleased to announce that the UK Government are today launching a civic honours competition to mark Her Majesty the Queen's Platinum Jubilee in 2022. This includes competitions for city status and Lord Mayor (or Provost) status.

City status and Lord Mayor (or Provost) status are civic honours granted by The Queen acting on the advice of Her Ministers under the royal prerogative. The granting of both city status and Lord Mayor (or Provost) status is purely honorific and comes with no additional funding or powers. Since the 1970s, these awards have been granted through competitions and are usually held to coincide with jubilee years, most recently for Her Majesty's diamond jubilee in 2012.

Entry guidelines and an application form have been published on www.gov.uk. In their applications, local authorities are being asked to give particular reference to their area's:

Distinct identity;

Civic pride;

Cultural infrastructure, interesting heritage, history and traditions;

Vibrant and welcoming community;

Record of innovation;

Sound governance and administration;

Associations with royalty; and

Other particularly distinctive features, age, residents or communities who have made widely recognised significant contributions to society and cultural infrastructure.

All local authorities across the United Kingdom who believe that their town or city deserves consideration for these rare honours are invited to apply. The city status competition will also be open to eligible applications from the Crown dependencies and overseas territories.

The guidelines specify a standard format for entries. Local authorities are urged to use the standard format, which is intended to limit the costs of entering the competition and to introduce a fair basis for comparison between entries. The closing date is 8 December 2021.

The honours will continue to be rare marks of distinction conferred, on ministerial advice, under the royal prerogative, rather than rights to be earned by the meeting of specific criteria. All valid entries will receive individual consideration on their merits and the Government look forward to announcing the results of the competitions in 2022.

[HCWS75]

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Employment Rights

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): I am pleased to announce the latest steps the Government are taking today to better protect and enforce workers' rights, as we look to build back better from covid-19.

Firstly, the Government have today published their response to our 2019 consultation on creating a single enforcement body for employment rights. This Government have been absolutely clear that we will do whatever we can to protect and enhance workers' rights, and this new body will help the country build back better by taking a smarter approach to the enforcement of employment law.

Today's response to the consultation sets out the overarching details of the new body. Responsibility for tackling modern slavery, enforcing the minimum wage and protecting agency workers—currently spread across the Gangmasters and Labour Abuse Authority, the Employment Agency Standards Inspectorate and HMRC—will be brought under one roof, creating a comprehensive new authority.

This "one-stop shop" approach will help improve enforcement through better co-ordination and pooling of intelligence, and providing a single, recognisable port of call for workers so they know their rights and can blow the whistle on bad behaviour. It will also make it easier for the vast majority of responsible businesses to do the right thing by their employees by providing clear guidance on their obligations.

Our consultation response also confirms that we will extend state enforcement to cover holiday pay and statutory sick pay for vulnerable workers and will regulate umbrella companies. The new body will also enforce financial penalties against organisations that do not meet requirements to publish modern slavery statements, as well as run the unpaid tribunal awards penalty scheme.

Protecting workers requires both support for business—so employers understand how to comply—as well as effective, visible enforcement action to deter irresponsible employers from undercutting the vast majority who want to do right by their workers. The body will have a spectrum of powers and responsibilities to achieve this, including compliance notices and civil penalties, as well as the power to prosecute.

The single enforcement body will be delivered through primary legislation and is the latest initiative in this Government's wider efforts to protect workers' rights. In the last year alone, the Government have boosted the minimum wage for around 2 million employees, protected furloughed workers' parental pay, cracked down on restrictive employment contracts, and more.

Secondly, as well as modernising our enforcement regime, the Government are today publishing their consultation responses on bringing the Certification Officer in line with other regulators; these reforms will implement technical measures passed by Parliament via the Trade Union Act 2016, providing reassurance to union members and the wider public.

Our reforms will make the Certification Officer a more effective regulator, with powers and funding more in line with similar bodies, They will give the Certification Officer the power to proactively investigate issues without having to wait for complaints from union members, the power to issue financial penalties, and put their office on a more sustainable model of levy funding. This proper and fair regulation will ensure all trade unions and employers' associations conduct themselves to the highest standards.

Thirdly, I wanted to update you on the publication today by the Advisory, Conciliation and Arbitration Service of their report on "fire and rehire" and the Government's response to the evidence it provides. I have asked ACAS to produce better, more comprehensive guidance to help employers explore all options before considering dismissal and re-engagement.

This Government have always been clear that we do not accept fire and rehire as a negotiation tactic. Workers up and down the country have worked flat out during the pandemic, carrying out essential work to keep our economy going. It is crucial that employers take their responsibilities seriously and act appropriately when it comes to discussions about changing employment contracts.

The report shows that the practice of fire and rehire includes instances where it has been threatened but not implemented, as well as companies dismissing and re-engaging employees. It is neither a new phenomenon nor is it concentrated in a particular sector or type of employer. While there is no quantitative data, there is a sense that fire and rehire had become more prevalent in the years before covid-19 as well as during the pandemic.

This is clearly a complex issue and we understand that sometimes, regrettably, employment negotiations will fail. In these circumstances, employers may feel they need to dismiss staff, and potentially re-engage them.

However, the Government want to send a crystal clear message to employers that all options must be exhausted before considering dismissal and re-engagement of staff. It is unacceptable to use the threat of fire and rehire as a negotiation tactic to force through changes to employment contracts.

The United Kingdom has one of the best records on workers' rights in the world—going further than the EU in many areas—and we are determined to build on this progress. By protecting workers more extensively, supporting business to comply with the law, and preventing them from being undercut by a minority of irresponsible employers, we can continue to be a high-wage, high-employment economy that works for everyone as we build back better.

The geographic scope of the bodies being subsumed into the single enforcement body vary; the Certification Officer's geographic coverage applies to Great Britain—there is a separate Certification Officer for Northern Ireland.

I will place copies of the Government response to Single Enforcement Body consultation, the Government response to the Certification Officer levy consultation and the Government response to the Certification Officer Enforcement powers consultation in the Libraries of the House.

[HCWS72]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Benyon Review

The Secretary of State for Environment, Food and Rural Affairs (George Eustice): In 2019 the Government commissioned Richard Benyon to conduct a review of the potential role for highly protected marine areas (HPMAs). HPMAs are similar to the marine conservation zones already established. However, there is strict protection with a presumption against any activity involving extraction, destruction or deposition being permitted in those areas and strict protections on other damaging activities. The review reported last year in June 2020.

The Benyon review concluded that HPMAs would have an important role in helping the marine ecosystem recover. It concluded that there could be spill-over benefits for marine life in adjacent areas to highly protected areas. The review recommended that the Government pilot around five HPMAs to test the proposition further and test delivery. It also recommended that some or all of the pilot sites could be co-located with existing marine protected areas such as marine conservation zones, in effect to upgrade the status of some of those sites.

Today is World Ocean Day when, across the globe, people are taking action to protect and recover our global ocean. This Government are committed to ocean conservation and leaving our environment in a better state than we found it, including the marine environment. I would like to thank Lord Benyon and the panel for their work on the review, and the broad range of stakeholders who contributed to it. The Government welcome the report and accept the central recommendation that we should take forward some pilot sites.

DEFRA will begin introducing HPMAs by identifying a number of locations within English waters to pilot our approach. These may be inside or outside the existing marine protected area network, and in inshore or offshore areas, recognising that HPMAs must be in the locations best able to deliver protection and recovery.

However, the Government recognise that the strict protections implied by HPMAs will cause some concerns with other sea users. In particular, the fishing industry will be concerned about further displacement from fishing grounds when they are already being excluded from some areas ear-marked for offshore wind energy development.

We recognise that there is a balance in supporting sustainable industries in the marine environment while increasing marine protection to ensure a healthy, resilient and diverse marine ecosystem. In developing our response to the review we have engaged with a broad range of stakeholders. We will develop criteria for HPMA identification and create a list of potential sites this year, followed by designations of a number of sites in 2022. We will also set out how we will work with stakeholders, the governance and management of sites and how we will monitor and evaluate sites.

The Benyon review did not cover Scottish and Welsh waters but did include Northern Ireland's offshore waters. We understand that DAERA wishes to have executive competence transferred to it in relation to certain marine functions, including designation and management of MPAs, in Northern Ireland offshore waters. Amendments to the Marine and Coastal Access Act 2009 made by the

Fisheries Act 2020 allow DAERA to make orders to protect the marine environment from fishing activities in the offshore region. We therefore do not propose identifying any of the initial HPMAs in offshore Northern Ireland waters.

Copies of the Government response are being placed in the Libraries of the House.

[HCWS71]

HOME DEPARTMENT

Personal Emergency Evacuation Plans in High-rise Residential Buildings Consultation

The Minister for Crime and Policing (Kit Malthouse): My noble Friend the Minister of State, Home Office and Ministry of Housing, Communities and Local Government (Lord Greenhalgh), has today made the following written ministerial statement:

Today, the Government publish a new consultation on Personal Emergency Evacuation Plans in High-rise Residential Buildings which will be open from 8 June to 19 July 2021.

This new consultation contains proposals to implement the Grenfell Tower Inquiry Phase 1 Report recommendations on Personal Emergency Evacuation Plans in high-rise residential buildings. These recommendations require a change in law to place new requirements on owners or managers of multi-occupied high-rise residential buildings.

This consultation supports delivery of two of the Grenfell Tower Inquiry Phase 1 recommendations and is part of the Government's package of reforms to improve building and fire safety in all regulated premises where people live, stay or work.

We are consulting on the following proposals:

Proposal 1: We propose to require the responsible person to prepare a personal emergency evacuation plan for every resident who self-identifies to them as unable to self-evacuate—subject to the resident's voluntary self-identification—and to do so in consultation with them.

Proposal 2: We propose to provide a template to assist the responsible person and the residents in completing the plan, and to support consistency at a national level.

Proposal 3: We propose to require the responsible person to complete and keep up-to-date information about residents in their building who would have difficulty self-evacuating in the event of a fire—and who have voluntarily self-identified as such—and to place it in an information box on the premises to assist effective evacuation during a rescue by the fire service.

Proposal 4: We propose, in order to assist the responsible person and support consistency at a national level, to provide a template, most likely in a one-page format, to capture the key information to be provided in the information box.

Further details can be found in the consultation and its supportive documents available at: www.gov.uk/government/consultations/personal-emergency-evacuation-plans. A copy of the consultation will also be placed in the Libraries of both Houses.

[HCWS73]

WORK AND PENSIONS

Office for Nuclear Regulation: Corporate Plan 2021-22

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): My noble Friend the Under-Secretary of State for Work and Pensions (Baroness Stedman-Scott) has made the following written statement.

Today I will lay before this House the Office for Nuclear Regulation Corporate Plan 2021-2022. This document will also be published on the ONR website.

I can confirm, in accordance with Schedule 7, Section 25(3) of the Energy Act 2013, that there have been no exclusions to the published documents on the grounds of national security.

[HCWS76]

Action on Climate Change: Pension Schemes

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): The UK was the first G7 country to legislate for net zero and it will be the first to legislate for the Task Force on Climate-related Financial Disclosures—ensuring we tackle climate change and deliver safer, better and greener pensions.

Today I have laid the draft Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021. These regulations are world-leading and will embed the recommendations of the Task Force on Climate-related Financial Disclosures into UK law.

Climate change is an existential challenge to our environment, but not only that: it poses a systematic financial risk and threat to the long-term sustainability of UK pensions. With almost £2 trillion in assets under management, all occupational pension schemes are exposed to climate-related risks—which could have a detrimental impact on their members' future retirement income. Pushing forward our drive for greener pensions, I consulted on detailed requirements to allow more effective governance of climate risks and disclosure in line with the Task Force on Climate-related Financial Disclosures' recommendations in August last year. Further consultation on draft regulations took place earlier this year. We have worked directly with industry throughout this process, recognising widespread acceptance across the sector for the principle of more effective action on climate risk. The Government laid the legislative groundwork for these regulations in the Pension Schemes Act 2021.

These regulations will deliver world-leading change to the pensions industry, ensuring trustees identify, assess and manage climate-related risks and opportunities relevant to their pension scheme. As a result of our work, the vast majority of pension schemes members' savings will be invested in schemes whose trustees have a specific legal duty to actively consider the risks and opportunities a transition to a low carbon economy brings.

I have taken the decision not to include a review clause in the regulations, invoking section 28(2)(b) of the Small Business, Enterprise and Employment Act 2015. I recognise the importance of monitoring and evaluating the initial impact of our regulations, which is why I have committed publicly in our consultation response to undertake a review in 2023. This will cover all the aspects normally required by a statutory review clause.

[HCWS74]

ORAL ANSWERS

Tuesday 8 June 2021

WRITTEN STATEMENTS

Tuesday 8 June 2021

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Tuesday 15 June 2021

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